

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 07-116

Defining the Funds to be Used in Fiscal Year 2007-2008 and Repealing Resolution 06-110

The Multnomah County Board of County Commissioners Finds:

- a. The Board has the responsibility to ensure that the County's financial records are maintained.
- b. The Chair of the Board is responsible under MCC 7.001 for the fiscal operations of the County.
- c. The Board has established various funds in the County's 2007-2008 Budget;

The Multnomah County Board of County Commissioners Resolves:

1. This Resolution replaces Resolution No. 06-110, which is repealed.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) - Accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenue are property taxes, business income taxes, motor vehicle rental taxes, intergovernmental revenue, and interest income. Primary 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 authorized for a specific purpose and generally operate on a year-to-year basis until the Fund is discontinued or revised by proper legislative authority. In the event the Fund is discontinued, any excess funds would be returned to the originating jurisdiction or the County General Fund.

Strategic Investment Program Fund (1500) - Accounts for revenues from large corporations receiving property tax abatements and paying fees to the County for specific purposes as part of the agreement by which those taxes were reduced. Expenditures are partly restricted by contractual obligations, and partly are at the discretion of the County for Community Service Fees, the statutorily required payment by the companies that equals one fourth of the annual tax savings enjoyed by the company.

Road Fund (1501) - In accordance with ORS 366.524 - 366.542 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.

Emergency Communications Fund (1502) - Accounts for revenues received from the State Telephone Excise Tax. Expenditures are restricted for the Emergency Communication Network in conjunction with the City of Portland, pursuant to Multnomah County Code 5.90.060.

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 may be used only 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 dedicated revenues and expenditures related to federal, state and local financial assistance programs (grants). The fund also includes 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 328.005 - 328.035. Funds are distributed to the County School districts.

Tax Title Land Sales Fund (1507) - Accounts for the receipt and sale of foreclosed properties. Under the provision of ORS 275.275, these revenues are distributed to the taxing districts in Multnomah County.

Animal Control Fund (1508) - Accounts for revenues from dog and cat licenses and animal control fees. Cash transfers are made to the General Fund for animal control activities.

Willamette River Bridge Fund (1509) - Accounts for State of Oregon Motor Vehicle fees and County gasoline taxes which are transferred from the Road Fund, and for Federal and State revenue sharing funding. Expenditures are made for inspections and maintenance of the Sellwood, Hawthorne, Morrison, Burnside, Broadway, and Sauvie Island bridges.

Library Fund (1510) - Accounts for the Multnomah County Public Library operations. Property taxes from a five-year special serial levy and transfers from the General Fund are the principal sources of revenue. The Multnomah County Public Library was established by Ordinance 649 pursuant to ORS 357.400 - 375.610.

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 to be used for 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 commissary items. Purchases are made for supplies for inmates in County jails. Excess funds are used on inmate amenities such as recreation equipment for the institutions.

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 collected for civil processing inspection.

General Reserve Fund (1517) - Accounts for a reserve maintained separate from the General Fund. This fund is to be maintained at approximately 5% of the revenues of the General Fund as defined in the Financial & Budget Policies. The General Reserve Fund balance is maintained by cash transfers from the General Fund. This reserve fund is to be used for extreme emergencies. Extreme Emergencies is defined as uses for disaster relief, essential services or expenditures that are related to public life and safety issues.

DEBT SERVICE FUNDS

Debt Service Funds exist until all long-term debt is repaid. Once the debt is repaid, any receipts remaining in the fund are returned to the originating jurisdiction or County General Fund.

Revenue Bond Fund (2001) - Accounts for the principal and interest payments on bonds issued to acquire and construct non-profit facilities that are being financed in partnership with the County. The revenues are derived from lease of the facilities constructed with bond proceeds and from the pledge of the Motor Vehicle Rental Tax, a General Fund revenue.

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 Fund - (2003) - This fund accounts for the retirement of General Obligation Bonds approved by the voters in May 1993 and May 1996 for Library and Public Safety facilities and equipment. Proceeds are derived from property taxes and interest earned on the cash balances.

PERS Pension Bond 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 operate until the capital project is completed. Upon completion, any remaining cash is transferred to the Debt Service Fund to retire debt associated with the construction or acquisition of designated fixed assets or to the originating source of the funds.

Justice Bond Project Fund (2500) - This fund accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities, and pay for major data processing linkages in the Corrections system. Proceeds are derived from the sale of General Obligation Bonds approved by the voters May 21, 1996 and interest earned on these proceeds.

Financed Projects Fund (2504) (Formerly Building Projects Fund) - 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 Construction Fund (2506) - This fund accounts for the renovation of branch libraries, and upgrades to Library computer systems and linkages. Proceeds are derived from the sale of General Obligation Bonds approved by the voters May 21, 1996 and interest earned on these proceeds.

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 capital purchases with economic payoffs of less than five years and acquisition of computer equipment. Expenditures will be reimbursed over time by service reimbursements charged to the budgets of programs for which equipment is purchased and by service reimbursement charges for the computers funded by the IT asset replacement program.

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.

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 294.470, 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, post-retirement benefits, 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.

COMPONENT UNITS

These funds account for a legally separate sanitary sewer district and a legally separate street lighting district, for which the County is legally responsible.

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

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

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 Series 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 6534) - 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, and a health safety net trust fund.

ADOPTED this 7th day of June, 2007.

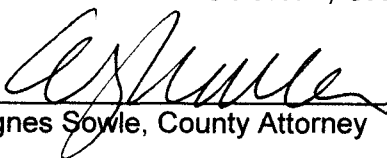


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Ted Wheeler, Chair

REVIEWED:

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