



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST
BUDGET MODIFICATION**

(revised 08/02/10)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA# R.4 DATE 3/17/11
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only	
Meeting Date:	<u>3/17/11</u>
Agenda Item #:	<u>R-4</u>
Est. Start Time:	<u>9:50 am</u>
Date Submitted:	<u>3/2/11</u>

BUDGET MODIFICATION: DCM - 07

Agenda Title:	BUDGET MODIFICATION DCM-07 Reclassifying cash transfers and capital debt retirement reallocation to comply with recent GASB 54 Pronouncement (Fund balance reporting and governmental fund type definitions) and increasing service reimbursement revenue by \$58,327.
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Note: For all other submissions (i.e. Notices of Intent, Ordinances, Resolutions, Orders or Proclamations) please use the APR short form.

Requested Meeting Date:	<u>March 17, 2011</u>	Amount of Time Needed:	<u>5 minutes</u>
Department:	<u>County Management</u>	Division:	<u>Facilities & Property Mgmt</u>
Contact(s):	<u>Colleen Bowles</u>		
Phone:	<u>503-988-3322</u>	Ext.	<u>84189</u>
		I/O Address:	<u>B274</u>
Presenter Name(s) & Title(s):	<u>Colleen Bowles, Facilities Business Services Manager</u>		

General Information

1. What action are you requesting from the Board?

The Department of County Management requests approval of budget modification DCM-07. This is a housekeeping modification recognizing a change in how the county defines its fund types and how it accounts for and reports fund balances as related to a new Governmental Accounting Standards Board (GASB) pronouncement, number 54. In addition to recognizing a change in fund accounting methodology, this modification also proposes several fund balance reallocations to comply with the new GASB 54 pronouncement.

- Fund adjustment between Facilities Operation fund and the Capital Program funds
- Fund adjustment between the capital fee collection and interest payment on R09-148 Capital borrowing, and
- Recognition of additional capital fees collected (Fund 2507) based on actual occupancy.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

GASB 54 is intended to simplify the accounting and reporting of government fund balances; it improves the usefulness of the amount reported in fund balance by providing a more structured classification and clarifies the definition of existing governmental fund types.

The pronouncement affects three of the Facilities Funds: 3505 Facilities Fund, 2507 Capital Improvement Fund and 2509 Asset Preservation Fund. Currently the Capital fee per square foot assessment is collected monthly from clients through the Facilities Fund (3505) and then moved via quarterly cash transfers to both the Capital Improvement Fund (2507) and Asset Preservation Fund (2509). GASB 54 allows for the Capital Improvement and Asset Preservation Funds to collect capital fees *directly*, eliminating the need for a cash transfer between funds thus *saving a step* or simplifying the accounting and reporting of fund balances.

This budmod also moves what has already been collected in the Facilities Fund to both of the capital funds, and moves the Capital Debt Retirement set aside in the Facilities Fund to the Capital Improvement Fund. The following action is budget neutral: it reduces cash transfer revenue and replaces it with service reimbursement revenue, in the same amount.

\$2,974,404 moved from Facilities Fund to Capital Improvement Fund

\$2,257,284 moved from Facilities Fund to Asset Preservation Fund

\$ 450,000 moved from Facilities Fund to the Capital Improvement Fund Debt Retirement

\$5,681,688 Total reduction in Facilities Fund reallocated to capital funds

Finally, this modification recognizes additional fee revenue. As a result a review of the above changes reconciled with current year estimates, the Capital Improvement Fund (2507) will collect an additional \$58,327 (difference between the square foot calculation at budget adoption and current, increased occupancy).

\$ 58,327 additional fees collected directly from clients due to increased occupancy

This modification affects program offers 72067 Administrative Pass-Through, 72071 Capital Improvement, and 72072 Capital Asset Preservation.

3. Explain the fiscal impact (current year and ongoing)

Service reimbursement to the Capital fund increases by \$58,327.

4. Explain any legal and/or policy issues involved.

Compliance with GASB statement number 54, effective for financial statements for periods beginning after June 15, 2010.

5. Explain any citizen and/or other government participation that has or will take place.

N/A

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer **all** of the following in detail:

- **What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**
N/A
- **What budgets are increased/decreased?**
Service reimbursement to the Capital fund increases by \$58,327.
- **What do the changes accomplish?**
Provides direct fee collection, debt payment and reporting ability per GASB 54 of Capital funds and bring the budget in line with current year estimates.
- **Do any personnel actions result from this budget modification? Explain.**
No
- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**
N/A
- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**
N/A
- **If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (i.e. cash match, in kind match, reporting requirements etc)?**
N/A

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

ATTACHMENT B

BUDGET MODIFICATION: DCM - 07

Required Signatures

**Elected Official or
Department/
Agency Director:**

Mindy Harris

Date: 3/2/11

Budget Analyst:

Julie Neburka

Date: 3/2/11

Julie Neburka

EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2011

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
1	72-50	3505	72067	20		902575		50310	(38,231,243)	(32,549,555)	5,681,688		Service Reimbursements
2	72-50	3505	72067	20	15			60560	5,855,000	623,312	(5,231,688)		Cash Transfer
3	72-50	3505	72067	20		902575		60450	6,241,097	5,791,097	(450,000)		Intl Svc Capital Debt Retire
4													
5	72-50	2507	72071	60		902900		50310	0	(3,182,731)	(3,182,731)		Service Reimbursements
6	72-50	2507	72071	60		902900		50320	(3,516,100)	(391,696)	3,124,404		Cash Trnsfr Revenue
7	72-50	2507	72071	60		902900		60450	0	450,000	450,000		Intl Svc Capital Debt Retire
8	72-50	2507	72071	60		902900		60530	35,986,600	35,594,927	(391,673)		Buildings
9													
10	72-50	2509	72072	60		902975		50310	0	(2,257,284)	(2,257,284)		Service Reimbursements
11	72-50	2509	72072	60		902975		50320	(2,488,900)	(231,616)	2,257,284		Cash Trnsfr Revenue
12													
13													
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