

Debt Service

**DEBT SERVICE
Budget Unit 801**

Rick Graham

Auditor - Controller

PROGRAM DESCRIPTION

This budget unit itemizes all County capital lease and bond payments in individual accounts that are then collectively offset by charges to the appropriate operating departments. This budget unit is for accounting purposes only and does not affect total expenditures.

BUDGET REQUESTS

The requested budget is based upon an accumulation of data supplied by the Auditor-Controller as to all operational debt service and interest.

SUMMARY OF RECOMMENDATIONS

The current policy of debt management and financing capital projects and equipment acquisition is based on the concept of spreading the cost of such projects and acquisitions over the period of benefit. Care is exercised in structuring debt to ensure future debt payments do not exceed the benefit produced by the project or equipment acquired during the same period, so as not to place an unfair burden on future budgets. No obligations are incurred unless sufficient present and future funds have been identified as being available for debt payments.

This budget is recommended as prepared by the Auditor-Controller.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget.

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES
 STATE OF CALIFORNIA
 BUDGET UNIT FINANCING SUMMARY
 BUDGET FOR THE FISCAL YEAR 2002 - 2003

| STATE CONTROLLER COUNTY BUDGET ACT (1985) | ACTUAL EXP/REV 2000-2001 | ACTUAL BUDGET 2001-2002 | ACTUAL EXP/REV 2001-2002 | BUDGET REQUESTS 2002-2003 | CAO RECOMMENDS 2002-2003 | ADOPTED BY TH B O S 2002-2003 |
|--|--------------------------------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------------|
| ===== | | | | | | |
| UNIT TITLE: 801 DEBT SERVICE | | | | | | |
| FUNCTION: DEBT SERVICE | | | | | | |
| ACTIVITY: RETIREMENT OF LONG-TERM DEBT | | | | | | |
| FUND:0198 DEBT SERVICE/GLTD ACCT GRP | | | | | | |
| . | | | | | | |
| . | | | | | | |
| OTHER CHARGES | 1502225 | 1635230 | 1,631,018 | 1,639,938 | 1,639,938 | 1,639,938 |
| INTRAFUND TRANSFERS | -1502225 | -1635230 | -1,631,018 | -1,639,938 | -1,639,938 | -1,639,938 |
| TOTAL EXPENDITURES***** | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| DEBT SERVICE EXP OVER (UNDER) REV | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| ===== | | | | | | |

**DEBT SERVICE
Budget Unit 802**

Rick Graham

Auditor - Controller

PROGRAM DESCRIPTION

This budget unit is to pay all County capital lease and bond payments that are not chargeable to individual departments. This budget unit is for accounting purposes only and does not affect total expenditures.

BUDGET REQUESTS

The requested budget is based upon an accumulation of data supplied by the Auditor-Controller as to all operational debt service and interest.

SUMMARY OF RECOMMENDATIONS

The current policy of debt management and financing capital projects and equipment acquisition is based on the concept of spreading the cost of such projects and acquisitions over the period of benefit. Care is exercised in structuring debt to ensure future debt payments do not exceed the benefit produced by the project or equipment acquired during the same period, so as not to place an unfair burden on future budgets. No obligations are incurred unless sufficient present and future funds have been identified as being available for debt payments.

This budget is recommended as prepared by the Auditor-Controller.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget.

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES
 STATE OF CALIFORNIA
 BUDGET UNIT FINANCING SUMMARY
 BUDGET FOR THE FISCAL YEAR 2002 - 2003

| STATE CONTROLLER COUNTY BUDGET ACT (1985) | ACTUAL EXP/REV 2000-2001 | ACTUAL BUDGET 2001-2002 | ACTUAL EXP/REV 2001-2002 | BUDGET REQUESTS 2002-2003 | CAO RECOMMENDS 2002-2003 | ADOPTED BY TH B O S 2002-2003 |
|---|--------------------------------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------------|
| ===== | | | | | | |
| UNIT TITLE: 802 SHASTA COUNTY DEBT FUNCTION: DEBT SERVICE ACTIVITY: RETIREMENT OF LONG-TERM DEBT FUND:0060 GENERAL | | | | | | |
| OTHER CHARGES | 5156191 | 281271 | 281,271 | 281,271 | 281,271 | 281,271 |
| TOTAL EXPENDITURES***** | \$5156191 | \$281271 | \$281,271 | \$281,271 | \$281,271 | \$281,271 |
| OTHR FINANCING SOURCES TRAN IN | 140635 | 281271 | 281,271 | 281,271 | 281,271 | 281,271 |
| TOTAL REVENUES***** | \$140635 | \$281271 | \$281,271 | \$281,271 | \$281,271 | \$281,271 |
| SHASTA COUNTY DEBT EXP OVER (UNDER) REV | \$5015556 | \$0 | \$-0 | \$0 | \$0 | \$0 |
| ===== | | | | | | |

RESERVE FOR CONTINGENCIES
Budget Unit 900

PROGRAM DESCRIPTION

The Reserve for Contingencies consists of funds set aside to provide for unanticipated requirements that may occur during the year. Examples of items that qualify for use of these funds are: costs associated with natural disasters and essential equipment or structure failures.

BUDGET REQUESTS

The requested Contingency Reserve for FY 2002-2003 is \$2 million. This represents 3.8 percent of the total requested budget for county General Fund.

SUMMARY OF RECOMMENDATIONS

The recommended Contingency Reserve amount of \$2 million is roughly 4 percent of the General Fund and 0.8 percent of the FY 2002-2003 Recommended Budget for general operating funds under the Board of Supervisors, excluding working capital and internal service funds. The amount of Contingency is quite modest when considering the total County budget for which the Board is responsible.

PENDING ISSUES AND POLICY CONSIDERATIONS

The County's Contingency Reserve is the source of funding for emergencies that may exceed amounts built into the budget on a unit basis. This account is used exclusively as a fund of "last resort" when all other options have been exhausted. Of the \$1.7 million allocated in FY 2001-2002, \$1.3 remained at year-end and became available for use in FY 2002-2003.

The FY 2001-2002 Contingency Reserve drawdown included a \$352,707 repayment of a TANF (Social Services) advance to the State of California with accrued interest.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

This budget was prepared and is recommended by the County Administrative Office.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget.

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES
 STATE OF CALIFORNIA
 BUDGET UNIT FINANCING SUMMARY
 BUDGET FOR THE FISCAL YEAR 2002 - 2003

| STATE CONTROLLER COUNTY BUDGET ACT (1985) | ACTUAL EXP/REV 2000-2001 | ACTUAL BUDGET 2001-2002 | ACTUAL EXP/REV 2001-2002 | BUDGET REQUESTS 2002-2003 | CAO RECOMMENDS 2002-2003 | ADOPTED BY TH B O S 2002-2003 |
|---|--------------------------------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------------|
| ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| UNIT TITLE: 900 RESERVES FOR CONTINGENCIES | | | | | | |
| FUNCTION: GENERAL | | | | | | |
| ACTIVITY: RESERVES FOR CONTINGENCIES | | | | | | |
| FUND:0060 GENERAL | | | | | | |
| . | | | | | | |
| . | | | | | | |
| . | | | | | | |
| APPROP FOR CONTINGENCY | 0 | 1289653 | | 0 | 2,000,000 | 2,000,000 |
| TOTAL EXPENDITURES***** | \$0 | \$1289653 | | \$0 | \$2,000,000 | \$2,000,000 |
| RESERVES FOR CONTINGENCIES EXP OVER (UNDER) REV | \$0 | \$1289653 | | \$0 | \$2,000,000 | \$2,000,000 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== |

**PUBLIC SAFETY
RESERVE FOR CONTINGENCIES
Budget Unit 901**

PROGRAM DESCRIPTION

The Public Safety Reserve for Contingencies consists of funds set aside to provide for unanticipated requirements that may occur during the year. Examples of items that qualify for use of these funds are costs associated with unknowns in State revenue receipts, and essential equipment or structure failures.

BUDGET REQUESTS

None Requested.

SUMMARY OF RECOMMENDATIONS

The requested Public Safety Contingency Reserve for FY 2002-2003 is \$200,000. This represents 0.005 percent of the total requested budget for the public safety fund, and should be considered quite conservative. The Auditor-Controller's fund balance projections indicate these funds will be available at year-end. This is only the third time since 1997 that sufficient funds are available to establish a contingency reserve in the Public Safety Fund.

PENDING ISSUES AND POLICY CONSIDERATIONS

There will be many uncertainties with regard to the County's funding relationship with the State that may lead to adjustments from this source.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

This budget was prepared by and is recommended by the County Administrative Office.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget.

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES
 STATE OF CALIFORNIA
 BUDGET UNIT FINANCING SUMMARY
 BUDGET FOR THE FISCAL YEAR 2002 - 2003

| STATE CONTROLLER COUNTY BUDGET ACT (1985) | ACTUAL EXP/REV 2000-2001 | ACTUAL BUDGET 2001-2002 | ACTUAL EXP/REV 2001-2002 | BUDGET REQUESTS 2002-2003 | CAO RECOMMENDS 2002-2003 | ADOPTED BY TH B O S 2002-2003 |
|--|--------------------------------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------------|
| ===== | | | | | | |
| UNIT TITLE: 901 RSV CONTINGENCY PUBLIC SAFETY | | | | | | |
| FUNCTION: PUBLIC PROTECTION | | | | | | |
| ACTIVITY: RESERVES FOR CONTINGENCIES | | | | | | |
| FUND:0195 PUBLIC SAFETY | | | | | | |
| . | | | | | | |
| . | | | | | | |
| . | | | | | | |
| APPROP FOR CONTINGENCY | 0 | 0 | 0 | 0 | 200,000 | 200,000 |
| TOTAL EXPENDITURES***** | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$200,000 |
| RSV CONTINGENCY PUBLIC SAFETY EXP OVER (UNDER) REV | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$200,000 |
| ===== | | | | | | |