

# Debt Services

**DEBT SERVICE  
Budget Unit 801**

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**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. The FY 2005-06 requested budget includes the long-term debt service and interest associated with the new County Administration Center totaling \$2,870,975.

**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.

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**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 2005 - 2006

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2003-04	ACTUAL BUDGET 2004-05	ACTUAL EXP/REV 2004-05	BUDGET REQUESTS 2005-06	CAO RECOMMENDS 2005-06	ADOPTED BY TH B O S 2005-06
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UNIT TITLE: 801 DEBT SERVICE						
FUNCTION: DEBT SERVICE						
ACTIVITY: RETIREMENT OF LONG-TERM DEBT						
FUND:0198 DEBT SERVICE/GLTD ACCT GRP						
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OTHER CHARGES	1556115	1,531,507	1,494,688	4,408,338	4,408,338	4,408,338
INTRAFUND TRANSFERS	-1556115	-1,531,507	-1,494,688	-4,408,338	-4,408,338	-4,408,338
TOTAL EXPENDITURES*****	\$0	\$0	\$0	\$0	\$0	\$0
DEBT SERVICE EXP OVER (UNDER) REV	\$0	\$0	\$0	\$0	\$0	\$0
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**DEBT SERVICE  
Budget Unit 802**

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**Rick Graham**

**Auditor - Controller**

**PROGRAM DESCRIPTION**

This budget unit houses 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. This budget currently includes long-term debt payments associated with the County's energy retrofit project.

**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.

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**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 2005 - 2006

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2003-04	ACTUAL BUDGET 2004-05	ACTUAL EXP/REV 2004-05	BUDGET REQUESTS 2005-06	CAO RECOMMENDS 2005-06	ADOPTED BY TH B O S 2005-06
=====	=====	=====	=====	=====	=====	=====
UNIT TITLE: 802 SHASTA COUNTY DEBT						
FUNCTION: DEBT SERVICE						
ACTIVITY: RETIREMENT OF LONG-TERM DEBT						
FUND:0060 GENERAL						
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OTHER CHARGES	5831271	281,271	281,271	281,271	281,271	281,271
TOTAL EXPENDITURES*****	\$5831271	\$281,271	\$281,271	\$281,271	\$281,271	\$281,271
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OTHR FINANCING SOURCES TRAN IN	281271	281,271	281,271	281,271	281,271	281,271
OTH FINANCE SRCS L/T DEBT PRCD	5594932	0	0	0	0	0
TOTAL REVENUES*****	\$5876203	\$281,271	\$281,271	\$281,271	\$281,271	\$281,271
SHASTA COUNTY DEBT EXP OVER (UNDER) REV	\$-44932	\$0	\$0	\$0	\$0	\$0
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**RESERVE FOR CONTINGENCIES**  
**Budget Unit 900**

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**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 include costs associated with natural disasters, essential equipment or structure failures and legislative activities depleting County General Fund fiscal resources.

**BUDGET REQUESTS**

During the FY 2005-06 preliminary budget workshop, an initial Contingency Reserve of \$2 million was identified. The financing plan presented by the County Administrative Office and approved by the Board included an augmentation of \$250,000 for economic uncertainty. The requested budget reflects the \$2,250,000 recommended level of Contingency Reserve.

**SUMMARY OF RECOMMENDATIONS**

In addition to the Economic Uncertainty augmentation approved by the Board during the budget workshop, \$2,725,000 was availed to the County Administrative Office for department negotiations. A total of \$2,457,222 in additional General Fund support was provided to the various county departments. The remainder totaling \$267,778 has been added to Contingency Reserve for future funding considerations. The CAO recommended budget reflects a revised Contingency Reserve of \$2,517,778. 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.

**DEPARTMENT HEAD CONCURRENCE OR APPEAL**

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

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**FINAL BOARD ACTION**

Adopted as presented in the Proposed Budget and as amended in the Supplemental Budget. Supplemental adjustments include a net \$12,820 increase in Contingency

Reserve resources. The increase is attributable to the recognition of reimbursement revenues attributable to the French Gulch and Bear fires (\$57,000) offset by additional General Fund resources to the Quincy Library Litigation Fund (\$1,000), re-budgeting of the Burney Vets Hall paving project (\$13,000) and reduction of Homicide trial reimbursement within the Public Defender budget (\$30,000).

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES  
 STATE OF CALIFORNIA  
 BUDGET UNIT FINANCING SUMMARY  
 BUDGET FOR THE FISCAL YEAR 2005 - 2006

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2003-04	ACTUAL BUDGET 2004-05	ACTUAL EXP/REV 2004-05	BUDGET REQUESTS 2005-06	CAO RECOMMENDS 2005-06	ADOPTED BY TH B O S 2005-06
=====	=====	=====	=====	=====	=====	=====
UNIT TITLE: 900 RESERVES FOR CONTINGENCIES						
FUNCTION: GENERAL						
ACTIVITY: RESERVES FOR CONTINGENCIES						
FUND:0060 GENERAL						
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APPROP FOR CONTINGENCY	0	2,287,078		0	2,250,000	2,530,598
						2,530,598
TOTAL EXPENDITURES*****	\$0	\$2,287,078		\$0	\$2,250,000	\$2,530,598
RESERVES FOR CONTINGENCIES EXP OVER (UNDER) REV	\$0	\$2,287,078		\$0	\$2,250,000	\$2,530,598
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