

# **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.

**SUMMARY OF RECOMMENDATIONS**

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 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2004-05	ACTUAL BUDGET 2005-06	ACTUAL EXP/REV 2005-06	BUDGET REQUESTS 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
=====	=====	=====	=====	=====	=====	=====
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	1494688	4408338	3,129,520	4,403,961	4,403,961	4,403,961
INTRAFUND TRANSFERS	-1494688	-4408338	-3,129,520	-4,403,961	-4,403,961	-4,403,961
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 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2004-05	ACTUAL BUDGET 2005-06	ACTUAL EXP/REV 2005-06	BUDGET REQUESTS 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
=====						
UNIT TITLE: 802 SHASTA COUNTY DEBT						
FUNCTION: DEBT SERVICE						
ACTIVITY: RETIREMENT OF LONG-TERM DEBT						
FUND:0060 GENERAL						
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OTHER CHARGES	281271	281271	281,271	281,270	281,270	281,270
TOTAL EXPENDITURES*****	\$281271	\$281271	\$281,271	\$281,270	\$281,270	\$281,270
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OTHR FINANCING SOURCES TRAN IN	281271	281271	281,271	281,270	281,270	281,270
TOTAL REVENUES*****	\$281271	\$281271	\$281,271	\$281,270	\$281,270	\$281,270
SHASTA COUNTY DEBT EXP OVER (UNDER) REV	\$0	\$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**

This budget requests that \$5 million be set aside for unforeseen contingencies that may arise during the upcoming fiscal year. At this time this amount should be considered a placeholder pending completion of the Ten Year Financial Outlook. Final decisions regarding this transfer should be deferred until that decision can be viewed in the context of the Ten Year Financial Outlook.

**SUMMARY OF RECOMMENDATIONS**

The CAO recommended budget is as requested by the department head.

**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.

The combination of all supplemental budget requests affecting the County General Fund yields a net decrease in Contingency Reserves of \$1,939,017 leaving a balance of \$3,060,983. This reduction funds the majority of these supplemental amendments resulting in cost increases as discussed in other parts of this report. Nearly all of this reduction in Contingency Reserve is due to increases in subsidies from General Revenues (BU 100). These subsidy increases are detailed in that budget unit and more fully described in the individual budgets.

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES  
 STATE OF CALIFORNIA  
 BUDGET UNIT FINANCING SUMMARY  
 BUDGET FOR THE FISCAL YEAR 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2004-05	ACTUAL BUDGET 2005-06	ACTUAL EXP/REV 2005-06	BUDGET REQUESTS 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
=====						
UNIT TITLE: 900 RESERVES FOR CONTINGENCIES						
FUNCTION: GENERAL						
ACTIVITY: RESERVES FOR CONTINGENCIES						
FUND:0060 GENERAL						
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APPROP FOR CONTINGENCY	0	2530598	0	0	3,060,983	3,060,983
TOTAL EXPENDITURES*****	\$0	\$2530598	\$0	\$0	\$3,060,983	\$3,060,983
RESERVES FOR CONTINGENCIES EXP OVER (UNDER) REV	\$0	\$2530598	\$0	\$0	\$3,060,983	\$3,060,983
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