

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 2004 - 2005

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2002-2003	ACTUAL BUDGET 2003-2004	ACTUAL EXP/REV 2003-2004	BUDGET REQUESTS 2004-2005	CAO RECOMMENDS 2004-2005	ADOPTED BY TH B O S 2004-2005
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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	1642147	1621187	1,556,115	1,531,507	1,531,507	1,531,507
INTRAFUND TRANSFERS	-1642147	-1621187	-1,556,115	-1,531,507	-1,531,507	-1,531,507
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**

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 2004 - 2005

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2002-2003	ACTUAL BUDGET 2003-2004	ACTUAL EXP/REV 2003-2004	BUDGET REQUESTS 2004-2005	CAO RECOMMENDS 2004-2005	ADOPTED BY TH B O S 2004-2005
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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	5831270	5,831,271	281,271	281,271	281,271
TOTAL EXPENDITURES*****	\$281271	\$5831270	\$5,831,271	\$281,271	\$281,271	\$281,271
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OTHR FINANCING SOURCES TRAN IN	281271	281271	281,271	281,271	281,271	281,271
OTH FINANCE SRCS L/T DEBT PRCD	0	5549999	5,594,932	0	0	0
TOTAL REVENUES*****	\$281271	\$5831270	\$5,876,203	\$281,271	\$281,271	\$281,271
SHASTA COUNTY DEBT EXP OVER (UNDER) REV	\$0	\$0	\$-44,932	\$0	\$0	\$0
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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 include costs associated with natural disasters, essential equipment or structure failures and legislative activities depleting County General Fund fiscal resources.

BUDGET REQUESTS

During FY 2003-2004, the Board authorized utilization of \$1 million of the Contingency Reserve to offset a portion of the Vehicle License Fee shortfall experienced by the County General Fund. Another \$210,000 was authorized to fund the Public Safety Roof repairs leaving an estimated \$790,000 carry forward through the end of FY 2003-2004. The requested Contingency Reserve for FY 2004-2005 is \$2 million.

SUMMARY OF RECOMMENDATIONS

The recommended Contingency Reserve amount of \$2 million is roughly 3.5 percent of the General Fund appropriations of the FY 2004-2005 Recommended Budget. 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.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget and as amended in the Supplemental Budget. The combination of all supplemental budget amendments affecting the County General Fund yields a net increase in Contingency Reserves of \$287,078. Most of the augmentation is a result of the deferral of Shasta County's share (\$548,399) of the statewide Child Support Sanction penalties until FY 2005-2006. A number of legislative, capital project and technical adjustments within other General Fund departments have reduced the savings to \$287,078. This figure includes a \$10,000 augmentation of Miscellaneous General for personnel assigned to the Bear/French Fire Assistance Center.

COUNTY OF SHASTA SCHEDULE 9
 REVENUES AND EXPENDITURES
 STATE OF CALIFORNIA
 BUDGET UNIT FINANCING SUMMARY
 BUDGET FOR THE FISCAL YEAR 2004 - 2005

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2002-2003	ACTUAL BUDGET 2003-2004	ACTUAL EXP/REV 2003-2004	BUDGET REQUESTS 2004-2005	CAO RECOMMENDS 2004-2005	ADOPTED BY TH B O S 2004-2005
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UNIT TITLE: 900 RESERVES FOR CONTINGENCIES						
FUNCTION: GENERAL						
ACTIVITY: RESERVES FOR CONTINGENCIES						
FUND:0060 GENERAL						
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APPROP FOR CONTINGENCY	0	785000		0	2,000,000	2,287,078
TOTAL EXPENDITURES*****	\$0	\$785000		\$0	\$2,000,000	\$2,287,078
RESERVES FOR CONTINGENCIES EXP OVER (UNDER) REV	\$0	\$785000		\$0	\$2,000,000	\$2,287,078
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**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

Not applicable.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

Not applicable.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget and as amended in the Supplemental Budget. The Board approved a contingency reserve of \$200,000, pending reconciliation of the Public Safety Fund balance. The Auditor-Controller reconciles fund balance once the year-end accounting is completed. It was determined there were insufficient funds available over and above the use of fund balance approved within the public safety group of departments. The contingency reserve was, therefore, deleted.

The proposed budget is predicated upon the year-end estimates submitted by departments in April of each year. Although the departments remained within budget authority approved by the Board in FY 2003-2004, their year-end carryover was less than estimated. Fund balance is an integral component of the proposed budget and is often used to supplement revenue resources. In the aggregate, the public safety group of departments will be utilizing \$578,140 in fund balance carryover to finance the FY 2004-2005 budget.

COUNTY OF SHASTA SCHEDULE 9

REVENUES AND EXPENDITURES
 STATE OF CALIFORNIA
 BUDGET UNIT FINANCING SUMMARY
 BUDGET FOR THE FISCAL YEAR 2004 - 2005

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2002-2003	ACTUAL BUDGET 2003-2004	ACTUAL EXP/REV 2003-2004	BUDGET REQUESTS 2004-2005	CAO RECOMMENDS 2004-2005	ADOPTED BY TH B O S 2004-2005
=====	=====	=====	=====	=====	=====	=====
UNIT TITLE: 901 RSV CONTINGENCY PUBLIC SAFETY						
FUNCTION: PUBLIC PROTECTION						
ACTIVITY: RESERVES FOR CONTINGENCIES						
FUND:0195 PUBLIC SAFETY						
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APPROP FOR CONTINGENCY	0	0	0	0	200,000	0
TOTAL EXPENDITURES*****	\$0	\$0	\$0	\$0	\$200,000	\$0
RSV CONTINGENCY PUBLIC SAFETY EXP OVER (UNDER) REV	\$0	\$0	\$0	\$0	\$200,000	\$0
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