

GLOSSARY OF BUDGET TERMS

AB-8 - Omnibus 1979 legislation which revised property tax allocation among local agencies and schools, restructured local government and school financing, and made permanent the State "buyout" of local funding for major health and welfare programs; successor to Senate Bill 154, which was in effect for 1978-79.

ACCOUNT - A classification of expenditure or revenue maintained in a ledger. Example: "Office Expense" is an account in "Services and Supplies."

ACCRUED EXPENSES AND REVENUE - Expenses and/or revenues incurred/earned but not paid/received before the end of the fiscal year.

A-87 - This alpha/numeric designation refers to the Federal Office of Budget and Management Circular No. A-87, which establishes cost principles for the allocation of central administrative and overhead expenses to County departments under the Countywide Cost Allocation Plan.

ACTIVITY - A specific line of work performed to accomplish a function for which a governmental unit is responsible; the State Controller requires this designation. Example: "Protective Inspection" is an activity performed in discharging the "Public Protection" function.

ADJUSTED BUDGET - The adopted budget as amended through formal action.

ADOPTED BUDGET - The budget document formally approved by the Board of Supervisors after the required public hearings and deliberations on the proposed budget, together with the subsequent additions, cancellations, or transfers. By statute, the Board of Supervisors must approve an adopted budget by October 2nd of each year.

AGENCY FUND - A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds; e.g., taxes collected and held for a special district.

ALLOCATION - Part of an appropriation designated for expenditure by a specific program.

APPROPRIATION - An authorization granted by the Board of Supervisors to make expenditures and to incur obligations for specific purposes. An appropriation expires at year-end.

APPROPRIATION EXPENDITURE - An expenditure chargeable to an appropriation.

ASSEMBLY BILL 109/REALIGNMENT - Criminal Justice Realignment, which includes as one component, the Post-release Community Supervision Act of 2011. (Signed in to law on 4/4/11 and effective 10/1/11).

ASSESSED VALUATION - A valuation set upon real estate or other property by the County or State Board of Equalization as a basis for levying taxes.

AUTHORIZED POSITIONS - Authorized positions are those included in the County's salary resolution. Appropriations may not always be made to fund all authorized positions.

AVAILABLE FINANCING - All the components of financing a budget, primarily fund balance available, revenues, equity transfers, and reductions of reserves. This is a conventional term and should not be used in financial presentations.

AVAILABLE FUND BALANCE - The amount of fund equity available to finance the budget after deducting encumbrances, reserves and designations, which identify limitations of its availability. This is a conventional term and should not be used in financial presentations.

BAILOUT - Commonly-used term referring to the "block grant" portions of State fiscal relief to cities, counties and special districts.

BUDGET - The planning and controlling document for financial operation with estimates of proposed expenditures and revenues for the fiscal year.

BUDGET UNIT - That classification of the budget expenditure requirements into appropriate, identified, or organizational units deemed necessary or desirable for control and information related to a particular financial operation or program.

BUDGETED POSITIONS - The number of full-time equivalent positions to be funded in the budget. Budgeted positions should not be confused with "authorized" positions, which are positions that may or may not be funded in the budget.

BUILDINGS AND BUILDING IMPROVEMENTS - A capital asset account reflecting the acquisition cost and improvements on permanent structures owned by the County.

CAPITAL ASSETS - A tangible item of a long-term character such as land, buildings, furniture, and other equipment with a unit cost in excess of \$3,000.

CAPITAL OUTLAY - Expenditures which result in the acquisition of or addition to capital assets. Significant capital projects are budgeted in a capital projects budget.

CAPITAL PROJECT - A program itemizing the County's acquisitions, additions and improvements to capital assets, including buildings, building improvements and land purchases.

CASH - An asset account reflecting currency, coin, checks, postal and express money orders and bankers' drafts.

CASH FLOW - The net cash available for expenditures at any given point.

CENTRAL SERVICE COSTS - Costs of central administrative and overhead services allocated to departments through the Countywide Cost Allocation Plan.

COLA - Cost of living adjustment.

CONTINGENCY - A budgetary provision, not to exceed 15 percent of an appropriation, set aside to meet unforeseen expenditure requirements.

CONTRACTED SERVICES - Expense of services rendered under contract by personnel who are not on the payroll of the jurisdiction, including all related expenses covered by the contract.

COST ACCOUNTING - That method of accounting that provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

COST APPLIED - Transactions that represent the recording of direct expenses from the department incurring the expense to the department receiving the benefit associated with the expense.

COUNTYWIDE COST ALLOCATION PLAN - The documentation, approved by the State Controller's Office, identifying the process whereby County central service costs are assigned to the benefiting departments or activities on a reasonable and consistent basis, as directed by the Federal Office of Budget and Management Circular No. A-87.

COUNTYWIDE FUNDS - Those funds included in the County General Fund.

CURRENT REVENUE - Revenues of a governmental unit, which are available to meet expenditures of the current fiscal year.

DEBT SERVICE FUND - A fund established to finance and account for the payment of interest and principal on all general obligation debt, other than that payable exclusively from special assessments and revenue debt issued for and serviced by a governmental enterprise.

DELINQUENT TAXES - Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached.

DEPARTMENT - An organizational device used to group programs of like nature.

DESIGNATION - For government fund types, a segregation of a portion of the unreserved fund balance to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies, equipment replacement, financing receivables, etc.

DUE FROM - An asset account used to indicate amounts owed to a particular fund by another fund in the same government for goods sold or services rendered. This account includes only short-term obligations on open account and not non-current portions of long-term loans.

DUE TO - A liability account reflecting amounts owed by a particular fund to another fund in the same government for goods sold or services rendered.

EARMARKED FUNDS - Revenues designated by statute or Constitution for a specific purpose.

EMPLOYEE BENEFITS - Amounts paid on behalf of employees; these amounts are not included in the gross salary. They are fringe benefit payments, and, while not paid directly to employees, they are nevertheless a part of the cost of salaries and benefits. Examples are group health or life insurance payments, contributions to employee retirement, Social Security taxes, workers' compensation payments, and unemployment insurance payments.

ENCUMBRANCE - An obligation in the form of a purchase order, contract, or other commitment that is chargeable to an appropriation. Available appropriations and fund balance are reduced by the amount of outstanding encumbrances.

ENTERPRISE FUND - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

EXPENDITURE - The payment or recording of the liability for the cost of goods delivered or services rendered during the fiscal year.

EXPENDITURE TRANSFERS - Reimbursement of funds to a provider budget unit for services/supplies received by another budget unit; transactions of this nature are limited to budgets within the same fund.

FINAL BUDGET - The budget document formally approved by the Board of Supervisors combined with all of the amendments made throughout the fiscal year.

FISCAL YEAR - Twelve-month period for which a budget is prepared. The fiscal year for Shasta County is July 1 through June 30.

FORCE ACCOUNT - A method employed in the construction and/or maintenance of capital assets whereby a government's own personnel are used instead of an outside contractor.

FULL-TIME EQUIVALENT (FTE) -A way to express the number of hours an employee is assigned to a budget or project, rather than the number of employees. An FTE of 1.0 means that the person is equivalent to a full-time employee. FTEs are usually expressed in averages for a group of employees within an activity or group of activities.

FUNCTION - A group of related budget units aimed at accomplishing a major service for which a governmental unit is responsible; the State Controller specifies these designations. Example: "Public Protection" is a function.

FUND - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE - The difference between fund assets and fund liabilities of a governmental fund. A portion of this balance may be available to finance the succeeding year's budget.

FUND EQUITY - The net difference of assets and liabilities.

GENERAL FUND - The fund used to account for Countywide financial resources and liabilities, except those that require separate fund accounting.

GENERAL LEDGER - A financial record containing the accounts needed to reflect the position and results of County operations.

GENERAL RESERVE - A separate fund or equity restriction within a fund to provide for dry period financing or emergency expenditures.

GRANT - A contribution from one governmental unit to another, usually made for a specific purpose and time period.

INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to another department or agency of a government; e.g., Vehicle Maintenance, Facilities Management, Information Technology, Risk Management.

LIABILITY - An obligation to pay for or provide services to another entity as a result of a past transaction.

MANDATED PROGRAMS - Mandated programs are those programs and services that the County is required to provide by specific State and/or Federal law.

MATCH - The term "match" refers to the percentage of local discretionary County monies in the General Fund that by law must be used to match a certain amount of State and/or Federal funds. For example, for the majority of welfare aid payments the County must match every 95 state dollars they receive, with 5 dollars from the County's General Fund.

NON-PROGRAM REVENUE - Non-program revenue includes such items as property taxes, sales tax, interest earnings, etc. It is revenue that is not dedicated to a specific program.

OBJECT OF EXPENDITURE - A classification of expenditure by type of service or goods, rather than for the purpose of the purchase. Examples: "Salaries and Employee Benefits" and "Services and Supplies."

OTHER CHARGES - A category of appropriations for payment to an agency, institution, or person outside the County Government.

OTHER POST EMPLOYMENT BENEFITS (OPEB) - In addition to retirement, employees of state and local governments may be compensated for a variety of postemployment benefits other than pensions. OPEB

generally takes the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries.

OVERHEAD - Those costs necessary in providing goods/service that are not directly traceable to the goods/service, such as rent, utilities, management and supervision.

PER CAPITA - Amount per individual.

PROGRAM REVENUE - Revenue that is derived from and dedicated to specific program operations.

PROPOSED BUDGET - The working document for the fiscal year under discussion. Approval of this document does not allow expenditures for new programs or capital assets unless there is specific approval of an item by the Board of Supervisors. The Proposed Budget, which the Board of Supervisors approves on or before June 30th, serves as the basis for public hearings prior to the adopted budget.

PROPOSITION 13 - A tax limitation initiative approved by the voters in 1978. Proposition 13 provided for: (1) a 1 percent tax limit exclusive of tax rates to repay existing voter-approved bonded indebtedness, (2) assessment restrictions establishing 1975 level values for all property, with allowable increase of 2 percent annually and reappraisal to current value upon change in ownership and new construction, (3) a two-thirds vote requirement to increase State taxes, and (4) a two-thirds vote of the electorate for local agencies to impose "special taxes."

REAL PROPERTY - Land and the structures attached to it.

REBATE - Abatements or refunds.

REIMBURSEMENT - Payment received for services/supplies expended for another institution, agency, or person.

RESERVE - An account used to earmark a portion of fund equity, which is legally or contractually restricted for future use or not available for expenditure.

REVENUE - Money received to finance ongoing County services. Examples: Property taxes, sales taxes, fees, and State and Federal grants.

SALARIES AND EMPLOYEE BENEFITS - An object of expenditure that establishes all expenditures for employee-related costs.

SALARY SAVINGS - The dollar amount of salaries that can be expected to be saved due to vacancies and turnover of employees.

SCHEDULE - A presentation of financial data used to demonstrate compliance with State legal provisions.

SCHEDULE 1 - All funds summary.

SCHEDULE 2 - Governmental funds summary.

SCHEDULE 3 - An analysis of the fund balance available at the end of a fiscal year to finance the next year's budget.

SCHEDULE 4 - A detailed list of provisions for reserves/designations by governmental fund.

SCHEDULE 5 - A summary of additional financing sources by source and fund.

SCHEDULE 6 - A detail of additional financing sources by fund and account.

SCHEDULE 7 - A summary of financing uses by function and fund.

SCHEDULE 8 - A detail of financing uses by function, activity and budget unit.

SCHEDULE 9 - Financing sources and uses by budget unit and object.

SCHEDULE 10 - Operation of Internal Service Fund

SCHEDULE 11 - This schedule is prepared to show the operation of all Enterprise Funds and meets the requirements of Government Code Section 29141.

SCHEDULE 12 - Special Districts and Other Agencies Summary.

SCHEDULE 13 - Fund Balance - Special Districts and Other Agencies.

SCHEDULE 14 - Special districts and other agencies - reserves/designations.

SCHEDULE 15 - Special districts and other agencies - financing sources and uses by budget unit and object.

SECURED ROLL - Assessed value of real property, such as land, buildings, secured personal property, or anything permanently attached to land as determined by each County Assessor.

SECURED TAXES - Taxes levied on real properties in the County that are "secured", or guaranteed, by a lien on the properties.

SERVICES AND SUPPLIES - An object of expenditure that establishes expenditures for the operating expenses of County departments and programs.

SPECIAL DISTRICT - Independent unit of local government generally organized to perform a function(s) for a specific geographic area. Examples: street lighting, waterworks, and fire departments.

SPENDING LIMITS - Refers to the Gann Initiative (Proposition 4 on the November, 1979, ballot), which imposed limits on the allowable annual appropriations of the State, schools, and most local agencies; limit is generally prior year appropriations factored by the consumer price index (CPI) and population changes.

SUBSIDY - The amount of money that must be added to an operating budget to cover the amount between departmental revenues and departmental expenditures.

SUBVENTION - Payments by an outside agency (usually from a higher governmental unit) for costs that originate in the County.

SUPPLEMENTAL TAX ROLL - The Supplemental Property Tax Roll is a result of legislation enacted in 1983 and requires an assessment of property when a change to the status of the property occurs, rather than once a year, as was previously the case.

TAX LEVY - Amount of tax dollars raised by the imposition of the property tax rate on the assessed valuation.

TAX RATE - The rate per one hundred dollars of the assessed valuation base necessary to produce the tax levy.

TAX RELIEF SUBVENTIONS - Funds ordinarily paid to compensate for taxes lost because of tax relief measures, such as homeowner's exemption.

TEETER PLAN - A plan whereby 100% of the "secured" property taxes levied are apportioned to eligible agencies instead of the historical practice of apportioning only 100% of taxes that have been collected. This allows the County to finance all delinquent property taxes.

TRANSIENT - As reference in the Transient Occupancy Tax Ordinance, this means any person who exercises occupancy through concession, permit, right of access, license or agreement for thirty consecutive days or less.

TRANSIENT OCCUPANCY TAX - A County tax each transient is subject to based on the privilege of occupancy at any lodging. Each transient is subject to and shall pay a tax in the amount of a percentage of the rent charged by the operator and shall make payment to the operator of the lodging at the time the rent is paid. Lodging includes but is not limited to any hotel/motel, inn, tourist housing, rooming house, apartment house, dormitory, public or private club, mobile home, camping site or a space at a campground or recreational vehicle park or similar.

TRUST FUND - A fund used to account for assets held by a government in a trustee capacity.

UNINCORPORATED AREA - The areas of the County outside city boundaries.

UN-REIMBURSED COST - The difference between total appropriations and total revenues for a given department.

UNSECURED TAX - A tax on properties such as office furniture, equipment, and boats, which are not secured by real property owned by the assessee.

USE TAX - A tax on goods purchased outside the State to prevent revenue loss from avoidance of sales taxes by means of out-of-State purchases. A use tax is also levied in order to remove inequities between purchases made within and outside the State.

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