GLOSSARY

TERMS COMMONLY USED IN THIS BUDGET DOCUMENT

Account: A detailed classification of an expenditure or revenue. For example, "Postage" is an expenditure account; "Property Taxes Secured" is a revenue account.

Activity: A specific line of work performed to accomplish a function for which a governmental unit is responsible. This designation is required by the State Controller. Example: "Protective Inspection" is an activity performed in discharging the "Public Protection" function.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is time-limited and must be expended before the deadline.

Assessed Valuation: A valuation set upon real estate or other property by government as a basis for levying taxes.

Available Financing: All the means of financing a budget including fund balance, revenues, canceled reserves and designations.

Budget: A plan of financial operation consisting of an estimate of proposed income and expenditures for a given period and purpose, usually one year.

Capital Project Program: A program itemizing the county's acquisitions, additions and improvements to buildings and land purchases.

Contingency: An amount, not to exceed fifteen percent of the fund in which it is allocated, appropriated for unforeseen expenditure requirements.

Contracted Services: Expense for services rendered under contract by individuals or businesses who are not on the payroll of the jurisdiction, including all related expenses covered by the contract.

Cost Accounting: That method of accounting which 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.

Communitywide Results: The Communitywide Results represents the "big picture" results we want for all county residents and are used to guide the preparation of the budget each 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.

Department: An organizational structure used to group programs of like nature.

Department Goals: A listing of ongoing results a department desires for its customers.

Encumbrance: An obligation in the form of a purchase order, contract, or other commitment which is chargeable to an appropriation and for which a part of the appropriation is reserved.

Enterprise Fund: Established to finance and account for the operation and maintenance of facilities and services which are self-supporting by user charges. Example: Airports Enterprise Fund.

Educational Revenue Augmentation Fund (ERAF): In 1992-93, in response to serious budgetary shortfalls, the state began redirecting a portion of counties, cities and special districts property tax receipts to schools and community college districts'. The term "ERAF" is an acronym for the fund into which redirected property taxes are deposited.

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Expenditure:	Designates the cost of goods delivered or services rendered.
Fiscal Year:	Twelve-month period for which a budget is in effect. The County's fiscal year is July 1 to June 30.
Fixed Asset:	An asset of a long-term character such as land, buildings, and equipment. Typically must have a value of $5,000 or greater.
Full-Time Equivalent (FTE):	The ratio of time expended in a position. The ratio is derived by dividing the amount of employed time required in the position by the amount of employed time required in a corresponding full-time position. 2080 hours per year equates to 1.0 FTE.
Function:	A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. These designations are specified by the State Controller. Example: "Public Protection" is a function.
Fund:	A sum of money or other resources set aside for the purpose of carrying out specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations. A fund is a distinct financial or fiscal entity.
Fund Balance Available:	That portion of the fund balance that is not reserved, encumbered or designated and therefore is available for financing a portion of the budgetary requirements for the upcoming fiscal year.
Fund Center:	The lowest entity in the budget hierarchy including all accounts for which a legal appropriation is approved by the Board of Supervisors. A department or agency may have one or more fund centers assigned to it. Each fund center is a collection of account numbers necessary to fund a certain division, department or set of functions.
General Fund:	The main operating fund of the county accounting for expenditures and revenues for countrywide activities.
General Fund Support::	The amount of General Fund financial support to a given fund center after revenues and other funding are subtracted from expenditures.
Indicators:	Measures, for which data is readily available, that tell whether communitywide results are being achieved (e.g., crime rate, poverty rate, high school graduation rate, etc.).
Interfund Transfer:	A transfer of money between different funds (e.g., General Fund and Parks) which cannot be classified as a revenue or expenditure.
Intergovernmental Expenditures:	Payments to other governments as fiscal aids and shared taxes or as reimbursements for the performance of services.
Intergovernmental Revenue:	Revenue received from other governments, such as fiscal aids, shared taxes and reimbursements for services.
Internal Service Fund (ISF):	An organization created to perform specified services for other county departments. The using department is charged by the ISF for the services received. Example: Reprographics.
Intrafund Transfers:	Reimbursements to a provider fund center for services/supplies received by another fund center; transactions of this nature are limited to fund centers within the same fund.
Mission Statement:	A description of the basic purpose and responsibility of the Budget Unit or department.

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Other Charges: Accounts which establish expenditures for expenses other than salary or operations, such as support and care of persons or debt service.

Per Capita: Amount per individual.

Performance Measure: A measurement that assesses progress toward achieving predetermined goals. There are three basic types of meaningful performance measures:

- efficiency measures show the relationship between work performed and resources required to perform it (i.e. cost per job application received, cost per felony prosecuted, etc.)
- quality measures show how well services are delivered to customers and the extent to which the customer is satisfied (i.e. percentage of customers satisfied with custodial services, percentage of clients satisfied with fire suppression response time, etc.)
- outcome measures show the qualitative results of a program compared to its intended purpose (i.e. who is better off as a result -- percentage of clients that receive substance abuse treatment services and are alcohol and drug free one year later; percentage of repeat child abuse reports, etc.)

Proposed Budget: The proposed spending plan for the upcoming fiscal year.

Proposition 1A: Passed by voters in November 2004, this proposition grants local governments long-term fiscal protection and stability by preventing the state from raiding local government revenues during times of state fiscal crisis. The state will be able to borrow revenues from local governments during fiscal emergencies, but can only do so with a two-thirds vote of the legislature and the Governor's signature. Borrowing can only take place twice during a 10-year period, and only after the prior loan has been repaid. The proposition also states that counties are to contribute $2.6 billion to the state budget during the 04-05 and 05-06 fiscal years.

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

Proposition 63: Approved by the voters in November 2004, this proposition established a state personal income tax surcharge of one percent on tax payers with annual taxable incomes of more than $1 million. Funds resulting from the surcharge are to be spent on the expansion of County Mental Health programs.

Proposition 172: A tax measure proposed by the Legislature and approved by the voters in 1993 to provide counties and cities with a share of a half-cent sales tax for public safety purposes. This measure mitigated some of the 1993-94 property tax shift from counties and cities to schools and community colleges.

Reimbursement: Payment received for services/supplies expended for another institution, agency or person.

Reserve: An account that records a portion of funds which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Results Based Decision Making (RDBM) RDBM is a county sponsored initiative aimed at making the County a "results culture" organization. "Results oriented", means that the County intends to show taxpayers in

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Initiative: measurable terms that the county government runs efficiently, provides high quality services, and produces results that are responsive to community desires.

Revenue: Money received to finance ongoing county governmental services. Example: Property taxes, sales taxes, user fees, etc.

Realignment: Refers to the 1991-92 restructuring of state and local government financing of health and welfare programs. Counties assumed a greater overall financing responsibility for these programs in exchange for a portion of sales tax and vehicle license fees.

Secured Roll: Assessed value of real property such as land, building, secured personal property, or anything permanently attached to land as determined by the County Assessor.

Secured Taxes: Taxes levied on real properties in the county which are "secured" by a lien on the properties.

Services and Supplies: The "object class" or general classification of expenditure accounts that describe and report all operating expenses, other than employee related costs, of departments and programs.

Special District: Independent unit of local government generally organized to perform a single function. Examples: Street lighting, waterworks, parks, 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 CPI and population changes.

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.

Taxes: Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Tax Levy: Amount of tax dollars raised by the imposition of the 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 local governments for taxes lost because of tax relief measures, such as the homeowner's exemption.

Teeter Plan: An alternative method of allocating property tax receipts wherein the various taxing agencies (schools, cities, special districts) receive 100% of their tax levy each year with a deduction for delinquencies. The County General Fund finances the delinquencies and in return the General Fund collects and retains all of the eventual payments of delinquent taxes, including interest and penalties.

Unincorporated Area: The areas of the county outside city boundaries.

Unsecured Roll: A tax on properties such as office furniture, equipment, boats and airplanes 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.