

Budget Glossary

Adopted Budget: The budget document formally approved by the Board of Supervisors after the required public hearings and deliberations on the Recommended Budget.

Appropriation: An authorization by the Board of Supervisors from a specific fund to a specific agency or program to make expenditures or incur obligations for a specified purpose and period of time. The budget contains many items of appropriation. These appropriations are limited to one year unless otherwise specified.

Budget Unit: Similar to sub-accounts within budgets; created for tracking expenditures or revenues which must be accounted for separately.

Capital Expenditures: Expenditures incurred for the improvement to or acquisition of land, facilities and infrastructure.

Capital Improvement Plan (CIP): A mid-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Contingencies: A budgetary provision representing that portion of the set aside to meet unforeseen expenditure requirements or to offset revenue shortfalls during the fiscal year. Contingencies may be budgeted for specific funds or groups of funds.

Debt Service: Annual principal and interest payments that local government owes on borrowed money.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises (e.g. water, gas and electric utilities; airports; parking garages; or transit systems). The governing body intends that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Expenditures: Actual spending of funds authorized by an appropriation.

Fee for Services: Fees charged for certain services provided to citizens and other public agencies. Examples of these fees include: planning and public works services such as sale of plans and specifications and blueprints, and plan or map check fees; park facilities usage including camping, parking and picnic area usage; document recording services, certified copies of vital statistics; animal services such as vaccination and impound fees.

Final Budget: The Adopted Budget adjusted by all revisions throughout the fiscal year as of June 30.

Fiscal Year (FY): A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The County of Mono's fiscal year is July 1 through June 30.

Full Time Equivalent (FTE): In concept, one person working full-time for one year. A normal fiscal year equals 2,080 staff hours. Two workers, each working half that number of hours, together equal one staff year. County salaries and benefits costs are based on the total number of FTEs approved in each budget unit.

Fund: A fiscal and accounting entity in which cash and other financial resources, all related liabilities and equities or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations. Funds may contain one or more budget units.

Fund Balance: The amount of dollar resources remaining in a fund at year's end. Usually this is the difference between total expenditures and total resources of a fund.

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Fund Balance Types:

- **Nonspendable Fund Balance:** Amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- **Restricted Fund Balance:** When constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance:** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts.
- **Assigned Fund Balance:** Amounts that are constrained by the Board's intent to use the funds for specific purposes, but are neither restricted nor committed.
- **Unassigned Fund Balance:** The residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

General Fund: The County's primary operating fund, which is used to account for all financial resources, except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP): The uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statement of an entity.

General Purpose Revenue: Revenue derived from sources not specific to any program or service delivery that may be used for any purpose that is a legal expenditure of County funds. Examples of General Purpose Revenue include property taxes, sales taxes, transient occupancy taxes, court fines, real property transfer tax and miscellaneous other sources. There are no restrictions as to the use of these monies - often referred to as discretionary revenue.

General Reserve: A reserve established to address unforeseen catastrophic situations. The general reserve can only be established or adjusted during the annual budget adoption process and is not available except during a legally declared emergency. Generally accepted accounting principles (GAAP) and Mono County policy provide that a local government should maintain a general reserve between 5% and 15% of expenditures.

Goal: A long-term organizational target or direction of development. It states what the organization wants to accomplish or become over the next several years. (Bryson)

Government Finance Officers Association (GFOA): An organization comprised of government accounting and finance professionals throughout the United States and Canada, whose goals include but are not limited to improving financial management practices and encouraging excellence in financial reporting and budgeting by state and local governments.

Internal Service Fund (ISF): A proprietary type fund used to account for the financing of goods or services provided by one department to other departments of the County, or to other governmental units, on a full cost-reimbursement basis, including replacement of capital.

Maintenance of Effort (MOE): Occasionally required by state law or by an initiative, it requires the county to maintain a designated base level of spending, usually in order to receive additional revenues.

Mandate: A requirement from the State or federal government that the County perform a task, perform a task in a particular way, or perform a task to meet a particular standard.

Mission: What the County is striving to do over a continuous period of time; its organizational purpose.

Net County Cost: Budgeted appropriations less estimate of revenue anticipated. The amount of General Fund dollars needed to balance the proposed budget.

Objective: A measurable target that must be met on the way to attaining a goal. A statement of anticipated accomplishment, usually measurable and time bound.

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Operating Transfers: Operating transfers result when one fund provides a service on behalf of another fund or when one fund transfers revenues to fund expenditures in another fund. The providing fund budgets the amount required by the other fund in the "Operating Transfer Out" expenditure account. The receiving fund budgets the amount in one of the "Operating Transfer In" revenue accounts.

Realignment Funds: These funds come from vehicle license fee and sales tax revenue collected by the state and allocated to counties. The funds are a "backfill" of the loss of state General Fund support or a shift of program responsibility from the state to the county for health, social services and youth corrections.

Recommended Budget: The budget document developed by the CAO and county departments and formally approved by the Board of Supervisors to serve as the basis for public hearings and deliberations prior to the de-termination of the adopted budget.

Requested Budget: The budget as submitted and requested by the division, department or district.

Reserves: A portion of fund equity that is set aside and not appropriated or spent, or that is legally or contractually restricted for a specific future.

Revenues: Amounts received from taxes, fees, permits, licenses, interest earnings and intergovernmental sources.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Usually eligible expenses are very specific and known to a reasonable degree of accuracy.

Strategic Goal: A long-term organizational target or direction of development. The established long range priorities that the organization strives to achieve.

Unreserved/Undesignated Fund Balance: The portion of fund balance that is available for financing the budget requirements for a current or future fiscal period. Also known as spendable fund balance.

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ABBREVIATIONS

- CAO:** Chief Administrative Officer
- CDBG:** Community Development Block Grant
- CSA:** County Service Area
- CSAC:** California State Association of Counties
- CSS:** Department of Child Support Services
- CWS:** Child Welfare Services
- FEMA:** Federal Emergency Management Agency
- FY:** Fiscal Year
- GAAP:** Generally Accepted Accounting Principles
- GASB:** Governmental Accounting Standards Board
- GFOA:** Government Finance Officers Association
- GIS:** Geographic Information System
- IHSS:** In-Home Supportive Services
- ISF:** Internal Service Fund
- IT:** Information Technology
- NACO:** National Association of Counties
- OES:** Office of Emergency Services
- OPEB:** Other Post Employment Benefit
- TOT:** Transient Occupancy Tax
- VLF:** Vehicle License Fees