

# COUNTY OF VENTURA

## GLOSSARY OF BUDGET TERMS

**ACTIVITY:** A specific type of work performed by one or more organizations of a government for the purpose of accomplishing a function for which the government is responsible. For example, Police Protection and Detention & Correction are activities within the Public Protection function (see "Function").

**ADDITIONAL FINANCING SOURCES:** Sum of estimated revenue sources (detail in Schedules 6).

**ADOPTED BUDGET:** The budget document formally approved by the Board of Supervisors after the required public hearings and deliberations on the proposed budget.

**APPROPRIATION:** A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

**ASSESSED VALUATION:** A value set on real estate or other property by a government as a basis for levying taxes.

**AUTHORIZED POSITIONS (AUTH):** The actual number of employees authorized without regard to the number of hours worked. In the 'Summary of Permanent Positions' schedule, authorized positions are referred to as 'Count'.

**BUDGET:** A plan of financial operation consisting of estimated expenditures for a given period (usually for a fiscal year) and the proposed means of financing them.

**BUDGET UNIT:** An organizational unit composed of divisions or programs designed to carry out specific activities; Auditor-Controller, Treasurer-Tax Collector, Public Health, and Area Agency on Aging are examples of budget units.

**CONTINGENCY:** A budgetary provision representing that portion of the financing requirements set aside to meet unforeseen expenditure requirements.

**COUNT:** See 'Authorized Positions'.

**COUNTY FUNDS:** May also be referred to as 'Governmental Funds' or 'County Operating Funds'. These specific fund types are grouped in Schedule 1 per State Controller guidelines and include General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Permanent Funds.

**DEBT SERVICE FUND:** A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

**DESIGNATIONS:** A segregation of a portion of the unreserved fund balance to indicate tentative plans for the use of resources in a future period, such as capital replacement. Examples of designations as of the adopted budget are shown in Schedules 4 for 'County/Governmental' funds and in Schedule 14 for Special District funds.

**DIRECT REVENUE:** Revenue that is the direct result of the organization's primary activities. This revenue is shown on the first page of each budget unit's detail under "Budget Overview" (same page as the "Budget Unit Description") in schedules 9, 10, 11, and 15 under 'Total Revenues'. Also see definition for 'Indirect Revenue'.

**ENCUMBRANCES:** Resources committed for future expenditures as a result of unperformed (executory) contracts such as purchase orders and specific contracts for goods and services.

**ENTERPRISE FUNDS:** A fund established for operations financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the cost of providing goods and services to the general public is to be financed or recovered primarily through user charges. The County's Enterprise funds are found in Schedule 11 (for example, Oxnard Airport, Camarillo Airport, and Ventura County Medical Center).

**FINAL BUDGET:** The budget at the end of the fiscal year. It is comprised of the initial adopted budget plus all subsequent additions, cancellations, or transfers made throughout the fiscal year.

**FINANCING USES:** sum of appropriations (budgeted expenditures). Detail by budget unit is included in the applicable schedule 9, 10, 11 or 15.

**FISCAL YEAR:** A 12-month period to which a budget applies. The County's fiscal year begins July 1 and ends June 30.

**FULL TIME EQUIVALENT (FTE):** Number of full-time employees plus part-time authorized positions converted to the equivalent of full-time positions based on 2,080 hours per year. For example, two authorized employees, each working 20 hours per week would be equal to one full-time equivalent position (see Authorized Positions).

**FUNCTION:** A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible. Public Protection and Public Assistance are examples of functions.

**FUND:** A fiscal and accounting entity with a self-balancing set of accounts which is used to record all activity or attain objectives in accordance with special regulations, restrictions, or limitations. A fund may consist of one or several budget units. For example, Fund 0001- General Fund is made up of many different budget units, whereas Fund 1200 - Revolving Loan Program contains only one budget unit.

**FUND BALANCE:** The difference between fund assets and liabilities of governmental funds.

**GASB STATEMENT NO. 54:** The Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental fund Type Definitions.*" Effective for periods beginning after June 15, 2010, a reporting model designed to alter the traditional components of fund balance (reserved, unreserved/designated, unreserved/undesignated) by regrouping balances into nonspendable, restricted, committed, assigned or unassigned fund balance categories. Reporting under the new model is still to be determined.

**GENERAL FUND:** The fund used to account for all financial resources except those required to be accounted for in another fund.

**GOVERNMENTAL FUNDS:** With reference to this budget document, all funds that are summarized in Schedule 1 (also referred to as County Funds) with appropriation/expenditure detail for budget units shown in Schedule 9 and revenue detail in Schedules 6 and 9.

**INDIRECT REVENUE:** Revenue which is not the direct result of an organization's primary activities. Beginning FY 2002-03, all indirect revenue for the General Fund is recorded in budget unit 1070 – General Purpose (Indirect) Revenue .

**INTERNAL SERVICE FUND (ISF):** A fund used to account for the financing of goods and services provided by one department or agency to other departments and agencies of a government entity on a cost reimbursement basis. The County's Internal Service Funds are grouped in Schedule 10 (examples are Housekeeping/Grounds, Purchasing, Information Systems).

**NET COUNTY COST:** Budgeted appropriations less estimated 'direct' revenue. The net county cost can be funded by available fund balance (or retained earnings), cancellation of prior years' reserves and designations or a combination of these items.

**PROPERTY TAX:** An "ad valorem" tax on real property based on the assessed value of the property.

**PROPOSED BUDGET:** The budget document formally approved by the Board of Supervisors to serve as the basis for public hearings prior to the determination of the adopted budget.

**PROPRIETARY FUNDS:** This classification is used to account for a government's ongoing organizations and activities that are similar to those found in the private sector. This category includes Internal Service Funds (found in Schedule 10) and Enterprise Funds (found in Schedule 11).

**RECOMMENDED BUDGET:** After review and revision of the requested budget by designated County officials, the budget document recommended to the Board of Supervisors which, when approved, constitutes the proposed budget. The recommended budget may also be referred to as the preliminary budget.

**REQUESTED BUDGET:** Estimates of available financing and financing requirements submitted by departments/organizations for a specific fiscal year.

**RESERVES:** An account used to earmark a portion of fund balance that is legally or contractually restricted for a future use. Examples of reserves established as of the adopted budget for various funds are found in Schedules 4 for County/Governmental funds and in Schedule 14 for Special District funds.

**SPECIAL DISTRICTS:** An independent unit of local government organized to perform a single government function or a restricted number of related functions. The County's Special Districts' detail is found in Schedule 15. Examples of Special Districts include the Fire Protection District, Watershed Protection District (various budget units), and Waterworks Districts (various budget units).

**TOTAL FINANCING SOURCES:** The sum of all resources available to meet financing requirements for a fiscal year. It includes fund balance (unreserved/undesignated), decreases (or cancellations) in reserves and designations, and estimated revenues.

**TOTAL FINANCING USES:** The total financing needs for a fiscal year. It includes estimated financing uses (appropriations) and increases in reserves and designations.