

## COUNTY OF VENTURA

### GLOSSARY OF BUDGET TERMS

**ACTIVITY:** A specific and distinguishable service 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 Schedule 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.

**ASSIGNED FUND BALANCE:** The portion of fund balance that reflects a government's intended use of resources. Such intent would have to be established at either the highest level of decision making, or by a body (e.g. finance committee) or an official designated for that purpose. Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the General Fund automatically would be reported as assigned fund balance.

**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'.

**AVAILABLE FUND BALANCE:** For budgetary presentation purposes, that portion of the governmental type fund balance which is available for financing the budget requirements for the accounting period involved. This is a conventional term, which is synonymous with the accepted term "unassigned fund balance," of the general fund, and for other governmental fund types, the portion of the assigned fund balance being used to finance budget requirements.

**BUDGET:** A plan of financial operation consisting of an estimate of proposed 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.

**CHARGEMASTER:** A comprehensive listing of items billable to a hospital/clinic patient or a patient's health insurance provider.

**COMMITTED FUND BALANCE:** The portion of fund balance that represents resources whose use is constrained by the limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remains binding unless removed in the same manner (e.g. legislation, resolution, ordinance).

**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 in accordance with 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.

**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 FUND:** 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 REQUIREMENTS (USES):** sum of appropriations (budgeted expenditures). Detail by budget unit is included in the applicable schedules 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 G001- General Fund is made up of many different budget units, whereas Fund P100 - George D. Lyon Book Fund contains only one budget unit.

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

**FUND BALANCE AVAILABLE:** The unassigned fund balance in the General Fund as of June 30 of the year preceding the budget year. For all other funds, the portion of the assigned fund balance being used to finance the current budget requirements.

**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.

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

**GOVERNMENTAL FUNDS:** Funds generally used to account for tax-supported activities. 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. 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' obligated fund balance or a combination of these items.

**NONSPENDABLE FUND BALANCE:** Fund balance amounts that cannot be spent because they are either (a) not in spendable form (e.g. inventories) or (b) legally or contractually required to be maintained intact (e.g. corpus or principal of a permanent fund).

**OBLIGATED FUND BALANCE:** Fund balance amounts that are unavailable for financing budgetary requirements in the budget year. This would include non-spendable, restricted, committed and assigned fund balances.

**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.

**RESTRICTED FUND BALANCE:** Fund balance amounts are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**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 balances and decreases (or cancellations) in obligated fund balance, and estimated revenues.

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

**UNASSIGNED FUND BALANCE:** 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; a residual classification for the general fund.

**UNAVAILABLE FUND BALANCE:** That portion of the governmental-type fund balance which is unavailable for financing the budget requirements for the accounting period involved. This is a conventional term, which identifies the nonspendable, restricted, committed and assigned portion of the fund balance.