



# Financial Policies and Schedules

## **BUDGET PROCESS AND FINANCIAL POLICIES**

To ensure the long-term economic stability of the organization, the County of Stanislaus has developed a series of financial and budgetary policies. Using both operational guidelines and qualitative standards, these policies strive to maintain a stable and positive financial position for the foreseeable future. Moreover they provide guidelines to Management in planning and directing the County's day to day financial affairs, and in developing recommendations to the Chief Executive Officer and the Board of Supervisors.

### **BASIS OF BUDGETING**

The annual budget is prepared, reviewed and approved in accordance with the provisions of Sections 29000 and 29144, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act. The County prepares a budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This Resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The Budget and the Annual Financial Report are prepared using generally accepted accounting principles. The accounts of the County are organized on the basis of fund and organizational groups, each of which is considered a separate accounting entity. Governmental type funds like the General Fund, Special Revenue Funds, Capital Projects, and Debt Service use modified accrual basis, while Proprietary Funds use the full accrual basis.

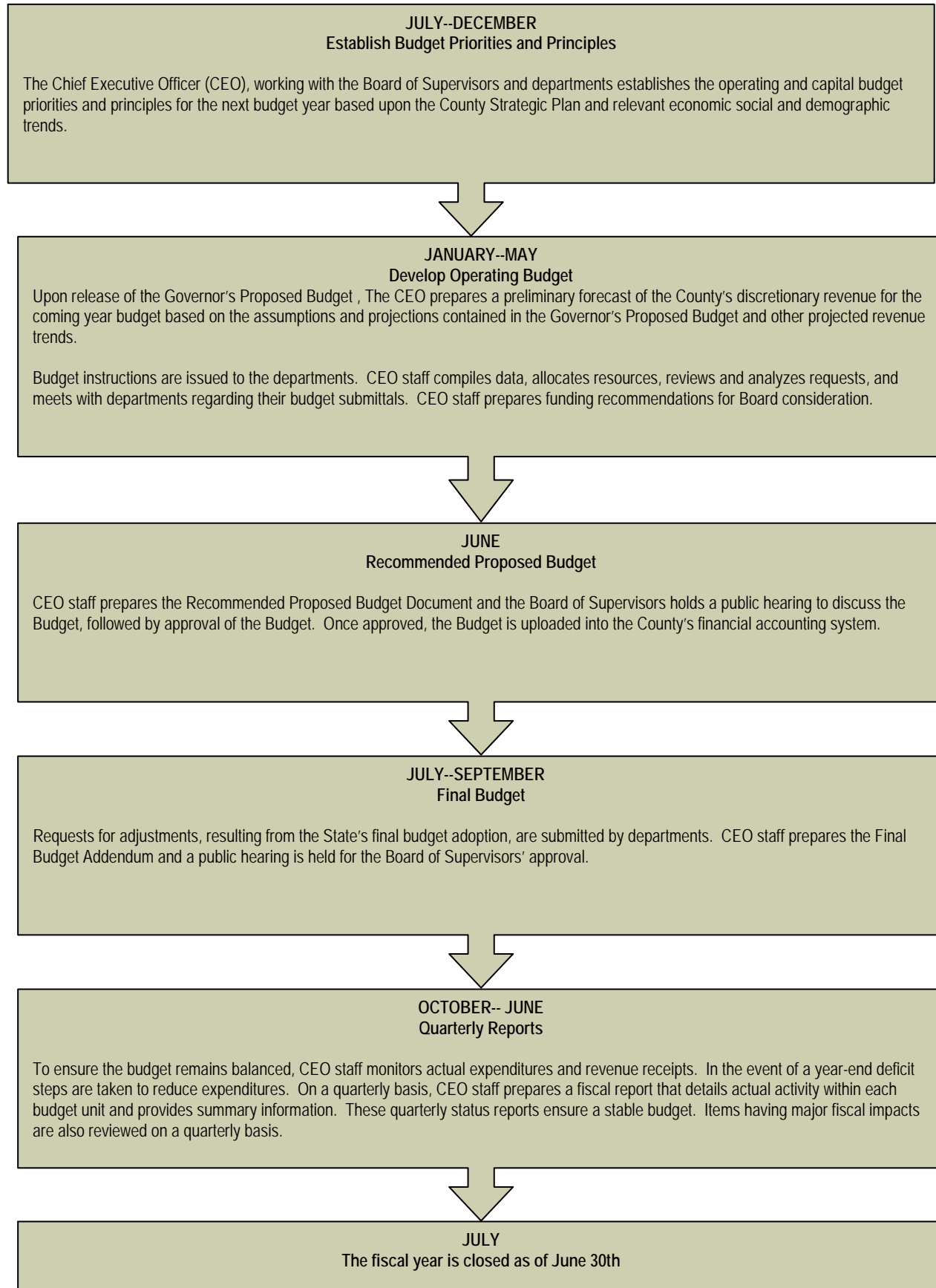
Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. Measurable means the amount of the transaction is known; available means the revenue will be collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the related liability is incurred, except for (1) principal of and interest on general long-term debt which are recognized when due; and (2) employee annual leave and claims and judgments for litigation and self-insurance which are recorded in the period due and payable.

Full accrual is essentially the same manner as commercial accounting. Recognition occurs at the time of the transaction – revenue when earned and expenses when incurred.

### **COUNTY BUDGET PROCESS**

The budget for Stanislaus County is an operational plan, a fiscal plan and a staffing plan for the provision of services to the residents of Stanislaus County. The budget process encompasses the manner in which resources are assigned to goals, objectives and community priorities set by the Board of Supervisors. In order for government to remain in business, the law requires that an adopted budget be in place by the beginning of each fiscal year – July 1<sup>st</sup> through June 30<sup>th</sup>.

# COUNTY BUDGET PROCESS



## CONSOLIDATED FINANCIAL OVERVIEW BY PRIORITY 2011-2012 ADOPTED FINAL BUDGET

Revenue Categories	A Safe Community	A Healthy Community	A Strong Local Economy	A Strong Agricultural Economy/Heritage	A Well Planned Infrastructure System	Efficient Delivery of Public Services	2011-2012 Adopted Final Budget Total
Taxes	\$ 1,075,775	\$ -	\$ 6,500,000	\$ -	\$ 8,040,580	\$ 98,041,000	\$ 113,657,355
Licenses, Permits, Franchises	70,000	85,653	-	401,700	1,370,450	1,133,000	3,060,803
Fines, Forfeitures, Penalties	5,777,067	1,491,247	-	-	15,000	6,265,000	13,548,314
Revenue from Use of Assets	240,500	700,268	2,400	5,000	1,316,560	3,114,106	5,378,834
Intergovernmental Revenue	11,811,954	324,535,902	11,625,483	2,039,642	42,252,015	49,509,898	441,774,894
Charges for Service	20,153,054	71,441,989	5,366,578	682,961	24,977,039	84,399,590	207,021,211
Miscellaneous Revenue	1,529,963	(5,488,641)	152,000	8,080	422,058	2,611,678	(764,862)
Other Financing Sources	1,511,425	35,893,235	491,810	-	10,412,304	4,982,816	53,291,590
<b>Total Revenue</b>	<b>\$ 42,169,738</b>	<b>\$ 428,659,653</b>	<b>\$ 24,138,271</b>	<b>\$ 3,137,383</b>	<b>\$ 88,806,006</b>	<b>\$ 250,057,088</b>	<b>\$ 836,968,139</b>

### Appropriation Categories

Salaries and Benefits	\$ 97,454,525	\$ 159,294,741	\$ 16,081,972	\$ 3,235,340	\$ 22,476,000	\$ 29,539,019	\$ 328,081,597
Services and Supplies	22,921,445	85,842,273	7,194,118	451,601	66,395,137	76,288,142	259,092,716
Other Charges	18,738,101	194,402,746	1,182,181	342,440	16,914,543	6,381,662	237,961,673
Fixed Assets	973,405	953,186	200,000	109,000	2,292,000	283,600	4,811,191
Other Financing Uses	540,328	602,228	-	-	2,565,596	49,265,829	52,973,981
Intrafund	2,152,810	5,341	-	255,969	563,200	(3,023,632)	(46,312)
Contingencies	-	900,000	-	-	-	7,352,257	8,252,257
<b>Total Expenditures</b>	<b>\$ 142,780,614</b>	<b>\$ 442,000,515</b>	<b>\$ 24,658,271</b>	<b>\$ 4,394,350</b>	<b>\$ 111,206,476</b>	<b>\$ 166,086,877</b>	<b>\$ 891,127,103</b>
<b>Net Increase (Decrease) in Fund Balance/Retained Earnings</b>	<b>\$ (100,610,876)</b>	<b>\$ (13,340,862)</b>	<b>\$ (520,000)</b>	<b>\$ (1,256,967)</b>	<b>\$ (22,400,470)</b>	<b>\$ 83,970,211</b>	<b>\$ (54,158,964)</b>

## CONSOLIDATED FINANCIAL OVERVIEW 2011-2012 ADOPTED FINAL BUDGET

Revenue Categories	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Services Funds	2011-2012 Adopted Final Budget Total
Taxes	\$ 98,041,000	\$ 8,075,775	\$ 4,050,000	\$ 3,490,580	\$ -	\$ 113,657,355
Licenses, Permits, Franchises	1,704,700	1,356,103	-	-	-	3,060,803
Fines, Forfeitures, Penalties	10,383,000	1,590,314	1,575,000	-	-	13,548,314
Revenue from Use of Assets	2,928,894	856,368	500,000	744,500	349,072	5,378,834
Intergovernmental Revenue	58,967,438	381,971,188	45,000	604,817	186,451	441,774,894
Charges for Service	34,933,000	52,677,586	-	44,673,729	74,736,896	207,021,211
Miscellaneous Revenue	1,721,451	(5,339,115)	50,000	1,544,574	1,258,228	(764,862)
Other Financing Sources	6,485,282	37,197,531	2,088,906	7,489,871	30,000	53,291,590
<b>Total Revenue</b>	<b>\$ 215,164,765</b>	<b>\$ 478,385,750</b>	<b>\$ 8,308,906</b>	<b>\$ 58,548,071</b>	<b>\$ 76,560,647</b>	<b>\$ 836,968,139</b>
<b>Appropriation Categories</b>						
Salaries and Benefits	\$ 121,456,818	\$ 178,307,886	\$ -	\$ 20,926,687	\$ 7,390,206	\$ 328,081,597
Services and Supplies	26,824,125	122,821,025	14,496,800	25,320,789	69,629,977	259,092,716
Other Charges	22,078,474	197,752,088	1,753,861	12,719,829	3,657,421	237,961,673
Fixed Assets	998,905	1,306,450	-	1,845,336	660,500	4,811,191
Other Financing Uses	48,765,829	668,918	2,589,234	450,000	500,000	52,973,981
Intrafund	2,553,367	1	-	-	(2,599,680)	(46,312)
Contingencies	7,352,257	900,000	-	-	-	8,252,257
<b>Total Expenditures</b>	<b>\$ 230,029,775</b>	<b>\$ 501,756,368</b>	<b>\$ 18,839,895</b>	<b>\$ 61,262,641</b>	<b>\$ 79,238,424</b>	<b>\$ 891,127,103</b>
<b>Net Increase (Decrease) in Fund Balance/Retained Earnings</b>	<b>\$ (14,865,010)</b>	<b>\$ (23,370,618)</b>	<b>\$ (10,530,989)</b>	<b>\$ (2,714,570)</b>	<b>\$ (2,677,777)</b>	<b>\$ (54,158,964)</b>

# STANISLAUS COUNTY GENERAL FUND LONG RANGE SUMMARY

## 2011-2012 RECOMMENDED FINAL BUDGET

ITEM	2011-2012 Adopted Final Budget Total	2012-2013 Projected Budget Total	2013-2014 Projected Budget Total	2014-2015 Projected Budget Total
<b>Funding Assumptions:</b>				
Discretionary Revenue	\$ 140,029,000	\$ 142,829,580	\$ 145,686,172	\$ 148,599,895
Departmental Revenue	75,135,765	75,135,765	75,135,765	75,135,765
Unassigned Fund Balance	6,865,010	5,000,000	5,000,000	5,000,000
Committed Fund Balance	8,000,000	-	-	-
Assigned Fund Balance - Retirement	-	-	-	2,000,000
Pension Obligation Bond Saving	-	-	-	6,200,000
Teeter Assignment	-	9,200,000	9,200,000	-
<b>Total Funding:</b>	<b>\$ 230,029,775</b>	<b>\$ 232,165,345</b>	<b>\$ 235,021,937</b>	<b>\$ 236,935,660</b>
<b>Expenditure Assumptions:</b>				
Base Budget	\$ 230,029,775	\$ 238,209,642	\$ 241,682,650	\$ 242,724,553
Retirement Rate Increase		3,473,008	1,041,903	1,041,903
<b>Total Expenditures:</b>	<b>\$ 230,029,775</b>	<b>\$ 241,682,650</b>	<b>\$ 242,724,553</b>	<b>\$ 243,766,456</b>
<b>Total (deficit in brackets)</b>	<b>\$ -</b>	<b>\$ (9,517,305)</b>	<b>\$ (7,702,616)</b>	<b>\$ (6,830,796)</b>
Budget Reductions, Revenue or Additional Use of One-Time Funding	\$ -	\$ 9,517,305	\$ 7,702,616	\$ 6,830,796
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# STANISLAUS COUNTY NET COUNTY COST SCHEDULE

## 2011-2012 ADOPTED FINAL BUDGET

Fund Type	Adopted Final Budget Expenditures	Adopted Final Budget Revenue	Adopted Final Budget Fund Balance/ Retained Earnings	Adopted Final Budget Net County Cost
<b>General Fund</b>				
AAA - Veterans Services	\$ 332,305	\$ 85,500	\$ -	\$ 246,805
Agricultural Commissioner	4,015,953	3,129,303	-	886,650
Assessor	5,525,227	1,674,500	-	3,850,727
Auditor-Controller	3,376,660	2,304,774	-	1,071,886
Board of Supervisors	957,523	78,670	-	878,853
Board of Supervisors - Community Support				
Chief Executive Office - Airport	-	-	-	-
Chief Executive Office - Appropriations for Contingencies	4,420,864	-	-	4,420,864
Chief Executive Office - C.I.F.A.	140,633	-	-	140,633
Chief Executive Office - County Court Funding	6,779,500	4,704,500	-	2,075,000
Chief Executive Office - County Facilities	374,122	4,000	-	370,122
Chief Executive Office - Crows Landing Air Facility	90,968	90,968	-	-
Chief Executive Office - Debt Service	10,831,158	5,644,143	-	5,187,015
Chief Executive Office - Economic Development Bank	-	-	-	-
Chief Executive Office - General Fund Contribution to Other Programs	6,771,225	-	-	6,771,225
Chief Executive Office - General Fund Match - VLF	17,100,569	17,100,569	-	-
Chief Executive Office - Jail Medical	7,602,566	-	-	7,602,566
Chief Executive Office - Mandated County Match	19,338,437	-	-	19,338,437
Chief Executive Office - OES/Fire Warden	1,541,130	400,244	-	1,140,886
Chief Executive Office - Operations and Services	5,238,265	1,784,932	-	3,453,333
Chief Executive Office - Plant Acquisition	1,690,555	-	-	1,690,555
Chief Executive Office - Risk Management Division	1,451,046	1,186,989	-	264,057
Clerk-Recorder	1,922,059	1,800,000	-	122,059
Clerk-Recorder - Elections	1,846,867	451,029	-	1,395,838
Cooperative Extension	358,224	8,080	-	350,144
County Counsel	1,937,419	1,035,460	-	901,959
District Attorney - Criminal Division	12,154,889	667,063	-	11,487,826
General Services Agency - Administration	577,836	214,976	-	362,860
General Services Agency - Purchasing Division	535,912	394,243	-	141,669
Grand Jury	106,511	-	-	106,511
Parks and Recreation	5,000,450	3,548,196	-	1,452,254
Parks and Recreation - 20-year Master Plan	40,000	40,000	-	-
Parks and Recreation - TRRP	121,426	-	-	121,426
Planning & Community Development	1,839,331	842,435	-	996,896
Probation - Administration	1,840,453	104,330	-	1,736,123
Probation - Field Services	10,639,886	4,285,201	-	6,354,685
Probation - Institutional Services	8,802,412	1,306,229	-	7,496,183
Public Defender	5,468,518	687,694	-	4,780,824
Public Defender - Indigent Defense	3,071,140	-	-	3,071,140
Sheriff - Administration	3,547,049	106,865	-	3,440,184
Sheriff - Contract Cities	9,837,739	9,565,964	-	271,775
Sheriff - Court Security	4,080,916	3,929,482	-	151,434
Sheriff - Detention	31,614,708	2,519,443	-	29,095,265
Sheriff - Operations	24,233,766	3,367,328	-	20,866,438
Treasurer - Admin/Taxes	1,419,403	618,500	-	800,903
Treasurer - Revenue Recovery	878,535	878,535	-	-
Treasurer - Treasury	575,620	575,620	-	-
<b>Total General Fund</b>	<b>\$ 230,029,775</b>	<b>\$ 75,135,765</b>	<b>\$ -</b>	<b>\$ 154,894,010</b>

# STANISLAUS COUNTY NET COUNTY COST SCHEDULE

## 2011-2012 ADOPTED FINAL BUDGET

Fund Type	Adopted Final Budget Expenditures	Adopted Final Budget Revenue	Adopted Final Budget Fund Balance/ Retained Earnings	Adopted Final Budget Net County Cost
<u>Discretionary Revenue/Fund Balance</u>				
Chief Executive Office - Discretionary Revenue	\$ -	\$ 140,029,000	\$ -	\$ (140,029,000)
Committed Fund Balance			4,525,395	(4,525,395)
Assigned Fund Balance			3,474,605	(3,474,605)
Unassigned Fund Balance			6,865,010	(6,865,010)
<b>Adjusted General Fund</b>	<b>\$ 230,029,775</b>	<b>\$ 215,164,765</b>	<b>\$ 14,865,010</b>	<b>\$ -</b>
<u>Special Revenue Fund</u>				
Alliance Worknet	\$ 11,675,873	\$ 11,675,873	\$ -	\$ -
Alliance Worknet - StanWORKs	4,980,406	4,980,406	-	-
Area Agency on Aging	3,440,397	3,147,475	-	292,922
BHRS - Alcohol and Drug	3,099,566	3,016,325	26,235	57,006
BHRS - Managed Care	5,242,474	5,443,966	(201,492)	-
BHRS - Mental Health Services Act	20,347,895	20,291,214	56,681	-
BHRS - Public Guardian	1,013,755	205,822	231,356	576,577
BHRS - Stanislaus Recovery Center	1,733,917	1,733,917	-	-
BHRS - Substance Abuse & Crime Prevention Act	-	-	-	-
Behavioral Health and Recovery Services	40,419,344	38,377,213	1,216,772	825,359
CSA - County Children's Fund	293,628	166,075	127,553	-
CSA - Foster Care Incentive/Out of Home Placement	-	-	-	-
CSA - General Assistance	1,119,592	368,388	-	751,204
CSA - IHSS Provider Wages	39,424,536	37,470,274	-	1,954,262
CSA - IHSS Public Authority - Administration	413,889	413,889	-	-
CSA - IHSS Public Authority - Benefits	2,360,119	2,269,882	-	90,237
CSA - Integrated Children's Services	144,540	144,540	-	-
CSA - Public Economic Assistance	98,225,959	95,847,808	-	2,378,151
CSA - Seriously Emotionally Disturbed Children	-	-	-	-
CSA - Services and Support	111,320,254	107,915,965	-	3,404,289
Chief Executive Office - County Fire Service Fund	2,029,079	1,256,775	150,000	622,304
Chief Executive Office - DOJ Drug & Alcohol	139,610	84,067	-	55,543
Child Support Services	15,679,000	15,679,000	-	-
Children and Families First Commission	9,352,751	(2,512,848)	11,865,599	-
Clerk-Recorder - Vital & Health Statistics	140,000	38,000	102,000	-
Clerk-Recorder Modernization	4,039,978	802,500	3,237,478	-
Cooperative Extension - Farm & Home Advisors Res	20,173	-	20,173	-
District Attorney - Arson Task Force	1,414	-	1,414	-
District Attorney - Auto Insurance Fraud Prosecution	212,310	212,310	-	-
District Attorney - Consumer Fraud	380,000	-	380,000	-
District Attorney - Criminal Division Asset Forfeiture	35,674	-	35,674	-
District Attorney - Elder Abuse Advocacy & Outreach	-	-	-	-
District Attorney - Family Justice Center	-	-	-	-
District Attorney - Federal Asset Forfeiture	4,396	-	4,396	-
District Attorney - Real Estate Fraud	383,115	230,000	-	153,115
District Attorney - Rural Crimes Prevention	-	-	-	-
District Attorney - Spousal Abuser Prosecution	-	-	-	-
District Attorney - Unserved/Underserved Victim Advocacy Prog	106,821	106,821	-	-
District Attorney - Vertical Prosecution Block Grant	103,807	-	-	103,807
District Attorney - Victim Compensation & Government Claims	63,853	63,853	-	-
District Attorney - Victim Services Program	343,178	339,850	-	3,328

# STANISLAUS COUNTY NET COUNTY COST SCHEDULE

## 2011-2012 ADOPTED FINAL BUDGET

Fund Type	Adopted Final Budget Expenditures	Adopted Final Budget Revenue	Adopted Final Budget Fund Balance/ Retained Earnings	Adopted Final Budget Net County Cost
Environmental Resources	7,563,222	7,030,113	116,851	416,258
Environmental Resources - AB 939	900,000	900,000	-	-
Environmental Resources - Abandoned Vehicles	80,000	80,000	-	-
Environmental Resources - Beverage Container Rec	29,802	29,802	-	-
Environmental Resources - Disclosure Program	466,000	318,369	147,631	-
Environmental Resources - E-Waste Collection Facility	54,990	54,990	-	-
Environmental Resources - Food Processing	-	-	-	-
Environmental Resources - Household Hazardous Waste	766,000	766,000	-	-
Environmental Resources - Trust Fund	52,623	-	52,623	-
Environmental Resources - Underground Storage Tank	279,649	258,970	20,679	-
Environmental Resources - Used Oil Recycling	146,839	146,839	-	-
Environmental Resources - Vehicle Registration Fee	75,000	5,000	70,000	-
Environmental Resources - Waste Tire Enforcement Grant	110,295	110,295	-	-
General Services Agency - 12th Street - Office Building	18,340	8,978	-	9,362
General Services Agency - 12th Street - Parking Garage	-	-	-	-
H.S.A. - I.H.C.P. (CHIP)	-	-	-	-
Health Services Agency - Administration	7,289,500	7,289,500	-	-
Health Services Agency - EMS Discretionary Fund	205,000	205,000	-	-
Health Services Agency - Health Coverage & Quality Svcs	-	-	-	-
Health Services Agency - IHCP EMS Hospital	380,000	380,000	-	-
Health Services Agency - IHCP EMS Physicians	830,000	830,000	-	-
Health Services Agency - Indigent Health Care	12,485,385	10,633,298	-	1,852,087
Health Services Agency - Local PH Preparedness Fund	-	-	-	-
Health Services Agency - PH Vital and Health Statistics	7,000	40,000	(33,000)	-
Health Services Agency - Public Health	20,817,126	20,207,284	(194,633)	804,475
Library	8,001,992	6,990,182	520,000	491,810
Library Literacy Program	-	-	-	-
Parks and Recreation - Fish and Wildlife	50,000	-	50,000	-
Parks and Recreation - Modesto Reservoir Patrol	75,000	23,000	52,000	-
Parks and Recreation - Off-Highway Vehicle Fund	-	-	-	-
Parks and Recreation - Regional Water Safety Training Center	43,000	-	43,000	-
Planning - Building Permits	2,047,753	1,731,863	315,890	-
Planning - Dangerous Bldg Abatement	35,700	10,000	25,700	-
Planning - General Plan Maintenance	91,030	121,200	(30,170)	-
Planning - Salida Planning Efforts	-	-	-	-
Planning - Special Revenue Grants	9,801,913	10,592,220	(790,307)	-
Probation - Corrections Performance Incentive Fund	603,986	603,986	-	-
Probation - Juvenile Accountability Block Grant	-	-	-	-
Probation - Juvenile Justice Crime Prevention Act	1,593,911	1,200,000	393,911	-
Probation - Ward Welfare Fund	40,000	40,000	-	-
Probation - Youthful Offender Block Grant	594,770	594,770	-	-
Public Works - Administration	1,516,526	1,516,526	-	-
Public Works - Engineering	3,833,369	3,833,369	-	-
Public Works - Hammett / Kiernan PSR	-	-	-	-
Public Works - Road and Bridge	40,705,851	35,514,484	5,191,367	-
Sheriff - CAL ID Program	475,000	415,000	60,000	-
Sheriff - CAL-MMET	-	-	-	-
Sheriff - Civil Process Fee	87,780	235,000	(147,220)	-
Sheriff - Dedicated Funds	147,580	-	147,580	-
Sheriff - Driver Training Program	242,260	242,260	-	-

# STANISLAUS COUNTY NET COUNTY COST SCHEDULE

## 2011-2012 ADOPTED FINAL BUDGET

Fund Type	Adopted Final Budget Expenditures	Adopted Final Budget Revenue	Adopted Final Budget Fund Balance/ Retained Earnings	Adopted Final Budget Net County Cost
Sheriff - Justice Assistance Grant	400,996	400,996	-	-
Sheriff - Vehicle Theft Unit	519,877	415,000	104,877	-
<b>Total Special Revenue Funds</b>	<b>\$ 501,756,368</b>	<b>\$ 463,543,654</b>	<b>\$ 23,370,618</b>	<b>\$ 14,842,096</b>
<u>Capital Projects Funds</u>				
Chief Executive Office - Courthouse Construction Fund	\$ 329,542	\$ 750,000	\$ (420,458)	\$ -
Chief Executive Office - Criminal Justice Facilities Fund	661,820	925,000	(263,180)	-
Planning - RDA Housing Set Aside	7,065,256	2,238,906	4,826,350	-
Planning - Redevelopment Agency	10,783,277	4,395,000	6,388,277	-
<b>Total Capital Projects Funds</b>	<b>\$ 18,839,895</b>	<b>\$ 8,308,906</b>	<b>\$ 10,530,989</b>	<b>\$ -</b>
<u>Enterprise Funds</u>				
BHRS - Stanislaus Behavioral Health Center	\$ -	\$ -	\$ -	\$ -
Environmental Resources - Fink Road Landfill	7,036,659	5,693,000	1,343,659	-
Environmental Resources - Geer Road Landfill	1,358,612	1,258,612	100,000	-
Health Services Agency - Clinic and Ancillary Svcs	46,022,583	42,310,200	(1,014)	3,713,397
Public Works - Local Transit System	5,644,295	4,402,362	1,241,933	-
Sheriff - Jail Commissary / Inmate Welfare	1,200,492	1,170,500	29,992	-
<b>Total Enterprise Funds</b>	<b>\$ 61,262,641</b>	<b>\$ 54,834,674</b>	<b>\$ 2,714,570</b>	<b>\$ 3,713,397</b>
<u>Internal Service Funds</u>				
Chief Executive Office - Dental Self Insurance	\$ 4,565,036	\$ 4,565,036	\$ -	\$ -
Chief Executive Office - General Liability	4,665,706	4,665,706	-	-
Chief Executive Office - Professional Liability	1,816,000	1,316,000	500,000	-
Chief Executive Office - Purchased Insurance	42,163,722	42,163,722	-	-
Chief Executive Office - Unemployment Insurance	1,394,950	1,394,950	-	-
Chief Executive Office - Vision Care Insurance	972,822	972,822	-	-
Chief Executive Office - Workers' Compensation	5,270,000	5,270,000	-	-
General Services Agency - Central Services Division	684,565	581,980	102,585	-
General Services Agency - Facilities Maintenance Division	5,138,511	4,753,965	384,546	-
General Services Agency - Fleet Services Division	2,181,453	2,181,453	-	-
General Services Agency - Utilities	1,392,170	1,392,170	-	-
ICJIS	758,160	301,110	457,050	-
Public Works - Morgan Shop	3,592,608	2,928,197	664,411	-
S.B.T. - Telecommunications	848,332	736,808	111,524	-
Strategic Business Technology	3,794,389	3,336,728	457,661	-
<b>Total Internal Service Funds</b>	<b>\$ 79,238,424</b>	<b>\$ 76,560,647</b>	<b>\$ 2,677,777</b>	<b>\$ -</b>
<b>Total All Funds</b>	<b>\$ 891,127,103</b>	<b>\$ 818,412,646</b>	<b>\$ 54,158,964</b>	<b>\$ 18,555,493</b>

# STANISLAUS COUNTY NET COUNTY COST SCHEDULE 2011-2012 ADOPTED FINAL BUDGET

Fund Type	Adopted Final Budget Expenditures	Adopted Final Budget Revenue	Adopted Final Budget Fund Balance/ Retained Earnings	Adopted Final Budget Net County Cost
<u>Other County Match Contributions/Contingencies</u>				
County Match Contingency	\$ -	\$ -	\$ -	\$ 2,931,393
HSA Deficit Repayment	-	-	-	1,848,054
Law Library	-	-	-	44,900
North McHenry Sales Tax	-	-	-	1,163,816
Local Area Formation Commission	-	-	-	182,271
Stanislaus Animal Services Agency	-	-	-	1,374,445
Stanislaus Council of Governments	-	-	-	4,607
Total Other County Match Contributions	\$ -	\$ -	\$ -	\$ 7,549,486
TOTAL COUNTY APPROPRIATIONS	\$ 891,127,103	\$ 818,412,646	\$ 54,158,964	\$ 26,104,979

# STANISLAUS COUNTY FUND BALANCE REPORT

## 2011-2012 ADOPTED FINAL BUDGET

	Beginning Fund Balance 7/1/2011	Adopted Final Budget Revenue	Adopted Final Budget Appropriations	Projected Fund Balance 6/30/2012
<b>GENERAL FUND</b>	\$ 108,251,885	\$ 215,164,765	\$ (230,029,775)	\$ 93,386,875
<b>SPECIAL REVENUE</b>				
1001 ER Environmental Resources	3,746,175	7,446,371	(7,563,222)	3,629,324
1002 ER Household Hazardous Waste	221,128	766,000	(766,000)	221,128
1003 ER Vehicle Registration	454,105	5,000	(75,000)	384,105
1004 ER Source Reduction & Recycling	11,936	900,000	(900,000)	11,936
1005 ER Disclosure Program	309,297	318,369	(466,000)	161,666
1006 ER Local Oversight Program	117,700	258,970	(279,649)	97,021
1008 ER Used Oil Recycling	91,871	146,839	(146,839)	91,871
1009 ER Environmental Enforcement	53,503	-	(52,623)	880
1010 ER Beverage Container Recycling	1	29,802	(29,802)	1
1011 Food Processing By-Products Research Project	255	-	-	255
1012 ER Waste Tire Enforcement Grant	47,250	110,295	(110,295)	47,250
1014 ER Abandoned Vehicle	111,763	80,000	(80,000)	111,763
1015 ER E-Waste Collection Center	16,288	54,990	(54,990)	16,288
1051 AAA Area Agency on Aging	449,497	3,440,397	(3,440,397)	449,497
1071 Department of Child Support Services	(2,341,212)	15,679,000	(15,679,000)	(2,341,212)
1101 PW Road & Bridge	20,456,174	15,329,650	(13,722,679)	22,063,145
1102 PW Road Projects	(2,593,419)	20,184,834	(26,983,172)	(9,391,757)
1103 PW AB-2928 Supplemental Maintenance	22,606	-	-	22,606
1104 PW Kaiser Voluntary Funds (Road Infrastructure)	469,453	-	-	469,453
1201 PW Administration	128,715	1,516,526	(1,516,526)	128,715
1202 PW Engineering	72,907	3,733,369	(3,733,369)	72,907
1203 PW County survey monument pres	259,265	100,000	(100,000)	259,265
1206 PL Building Permits Division	1,437,744	1,731,863	(2,047,753)	1,121,854
1317 AW Stan Work	614	4,980,406	(4,980,406)	614
1320 AW Subfund Clearing Pool	353,073	11,675,873	(11,675,873)	353,073
1401 HSA Administration	92,959	7,289,500	(7,289,500)	92,959
1402 HSA Public Health	2,249,214	20,149,198	(20,817,126)	1,581,286
1404 HSA Indigent Health Care	(314,641)	12,485,385	(12,485,385)	(314,641)
1405 HSA PH Tobacco Tax Education	2,135	150,000	-	152,135
1427 HSA IHCP EMSA Physician/Unallocated 08/09	9,229	-	-	9,229
1428 HSA PH Vital and Health Statistics	506,361	40,000	(7,000)	539,361
1429 HSA EMS - Discretionary	143,602	205,000	(205,000)	143,602
1434 HSA IHCP EMS-Hospitals	4,041	380,000	(380,000)	4,041
1435 HSA IHCP EMS-Physicians	1,466	830,000	(830,000)	1,466
1436 HSA PH CDC Base Funding	73,586	480,894	-	554,480
1437 HSA PH CDC h1n1 Funding	(1,989)	-	-	(1,989)
1438 HSA PH HPP Base Funding	60,982	231,667	-	292,649
1501 Mental Health	25,529,434	39,202,572	(40,419,344)	24,312,662
1502 MH Alcohol & Drug	257,461	3,073,331	(3,099,566)	231,226
1503 MH Public Guardian	(779,711)	782,399	(1,013,755)	(1,011,067)
1504 MH Managed Care	(1,827,826)	5,443,966	(5,242,474)	(1,626,334)
1505 MH Stanislaus Recovery Center	689,448	1,733,917	(1,733,917)	689,448
1507 MH Prop 63	(440,720)	20,291,214	(20,347,895)	(497,401)
1631 CSA Program Services & Support	42,926	111,320,254	(111,320,254)	42,926
1632 CSA Public Economic Assistance	92,659	98,225,959	(98,225,959)	92,659
1633 CSA General Assistance	-	1,119,592	(1,119,592)	-
1634 CSA Assistance to SED Children	20,082	-	-	20,082
1636 CSA Integrated Childrens Services	30,932	144,540	(144,540)	30,932

# STANISLAUS COUNTY FUND BALANCE REPORT

## 2011-2012 ADOPTED FINAL BUDGET

	Beginning Fund Balance 7/1/2011	Adopted Final Budget Revenue	Adopted Final Budget Appropriations	Projected Fund Balance 6/30/2012	
1637	CSA County Children's Fund	503,959	166,075	(293,628)	376,406
1640	CSA Public Authority - Administration	(15)	413,889	(413,889)	(15)
1641	CSA Public Authority - Benefits Administration	4,558	2,360,119	(2,360,119)	4,558
1642	CSA IHSS Provider Wages	79,367	39,424,536	(39,424,536)	79,367
1651	Library	4,690,726	7,481,992	(8,001,992)	4,170,726
1680	CEO Honor Farm Barracks 1,2 Proceeds	12,391,824	-	-	12,391,824
1681	PL St CalHome 2010 Grant	-	1,000,000	(1,000,000)	-
1682	PL - State Grants	-	1,000,000	(1,000,000)	-
1683	PL HOME Grant	430	245,190	(245,190)	430
1684	PL Annual Work Plan-Hughson	-	162,821	(162,821)	-
1685	CEO OES Homeland Security Grant 2010	(27,828)	-	-	(27,828)
1686	DA Unserved/Underserved Victim Advocacy and Outreach Pr	102	106,821	(106,821)	102
1687	CEO Stanislaus Family Justice Center	19,971	-	-	19,971
1688	PROB Corrections Performance Incentive Act	(3,431)	603,986	(603,986)	(3,431)
1689	PL St CalHome Grant Housing Rehabilitation	149,550	562,500	-	712,050
1690	CEO OES Homeland Security Grant 2009	(74,059)	-	-	(74,059)
1691	PL CDBG/NSP3	(5,574)	4,175,947	(4,175,947)	(5,574)
1692	PL CDBG-R (Recovery Act)	42,666	160,000	(41,393)	161,273
1693	PL CDBG-HPRP (Homeless Prevention Program)	11,256	300,000	(192,000)	119,256
1694	PKS Regional Water Safety Training Center	54,313	-	(43,000)	11,313
1695	PL Con Plan-County-CDBG/NSP	(46,459)	453,300	(453,300)	(46,459)
1697	CEO OES Homeland Security Grant 2008	(123,489)	-	-	(123,489)
1698	PROB Youthful Offender Block Grant (YOBG)	2,867,347	594,770	(594,770)	2,867,347
1702	PARKS-Off Highway Vehicle Fund	280,929	-	-	280,929
1703	SO Cal Id	86,509	415,000	(475,000)	26,509
1706	DA Elder Abuse Program	(885)	-	-	(885)
1707	DA Federal Asset Forfeiture	4,469	-	(4,396)	73
1710	DA BOC Victim Restitution	(411)	63,853	(63,853)	(411)
1711	DA Child Abduction	1,302	-	-	1,302
1712	DA Auto Fraud	5,136	212,310	(212,310)	5,136
1714	DA Victim Witness	7,501	343,178	(343,178)	7,501
1715	SO Vehicle Theft	90,075	415,000	(519,877)	(14,802)
1717	PL State CDBG Program Income	3,791	11,200	(10,000)	4,991
1723	CLK Fixed Asset Acquisition	4,376,001	802,500	(4,039,978)	1,138,523
1725	CEO County Fire Service	836,036	1,879,079	(2,029,079)	686,036
1726	CEO Alcohol and Drug Analysis	96,575	139,610	(139,610)	96,575
1727	PARKS-Fish and Wildlife	35,393	-	(50,000)	(14,607)
1728	PARKS-Modesto Reservoir Patrol	186,404	23,000	(75,000)	134,404
1737	PROB Criminalistics Lab	82,637	-	-	82,637
1743	SO Sheriff's Dedicated Funds	321,494	-	(147,580)	173,914
1746	PL Dangerous Bldg Abatement fund	117,389	10,000	(35,700)	91,689
1755	CFFC Children and Families Commission	6,225,217	(2,512,848)	(9,352,751)	(5,640,382)
1759	AG Ag Comm Development Fees	856	-	-	856
1760	AS Animal Services Donations	68,608	-	-	68,608
1761	DA Arson Task Force	524	-	(1,414)	(890)
1764	PROB Juvenile Accountability Grant 2003	6,556	-	-	6,556
1765	PROB Ward Welfare fund	294,043	40,000	(40,000)	294,043
1766	COOP Farm & Home Advisors Research	65,410	-	(20,173)	45,237
1767	CEO 2003 Local Law Enforcement Block Grant	255	-	-	255
1768	SO Sheriff's Civil Process Fee	1,059,128	235,000	(87,780)	1,206,348
1769	SO Sheriff's Driver Training Program	60,463	242,260	(242,260)	60,463

# STANISLAUS COUNTY FUND BALANCE REPORT

## 2011-2012 ADOPTED FINAL BUDGET

	Beginning Fund Balance 7/1/2011	Adopted Final Budget Revenue	Adopted Final Budget Appropriations	Projected Fund Balance 6/30/2012
1771 DA Asset Forfeiture	39,680	-	(35,674)	4,006
1775 DA Vertical Prosecution Block Grant	(81,308)	103,807	(103,807)	(81,308)
1776 DA Real Estate Fraud Prosecution	17,380	383,115	(383,115)	17,380
1777 CEO Prop 69-DNA Identification	864,959	-	-	864,959
1780 SO Cal-MMET	555	-	-	555
1781 AC Tobacco Settlement Securitization	61,107,287	-	-	61,107,287
1782 PL State CalHome Grant	10,987	-	-	10,987
1783 PL Annual Work Plan-County	(124,946)	1,449,555	(1,449,555)	(124,946)
1784 PL Annual Work Plan-Oakdale	-	219,138	(219,138)	-
1785 PL Annual Work Plan-Patterson	-	230,911	(230,911)	-
1786 CLK Vital and Health Statistics	173,882	38,000	(140,000)	71,882
1787 CEO OES Grant Programs	13,751	-	-	13,751
1791 CEO OES Homeland Security Grant	(100)	-	-	(100)
1792 CEO OES Homeland Security Grant 2006	4,111	-	-	4,111
1793 PROB cpa 2004/2005	11,638	-	-	11,638
1794 CEO OES Homeland Security Part II (WMD)	8,555	-	-	8,555
1796 CEO OES Homeland Security Grant 2004	1,917	-	-	1,917
1797 CEO 2004 Local Law Enforcement Block Grant	1,700	-	-	1,700
1798 PROB JJCPA Programs	526,377	1,200,000	(1,593,911)	132,466
1799 CEO Justice Assistance Grants (JAG)	-	400,996	(400,996)	-
171A GSA 12th Street Office Bldg	6,404	18,340	(18,340)	6,404
171B GSA 12th St Condominium Resv (former Parking Garage)	24,000	-	-	24,000
177A DA Enforce Consumer Protection Laws	682,535	-	(380,000)	302,535
178A PL Annual Work Plan-Ceres	-	255,160	(255,160)	-
178B PL Annual Work Plan-Newman	-	188,828	(188,828)	-
178C PL Annual Work Plan-Waterford	-	177,670	(177,670)	-
178D PL Salida Planning Efforts	441,220	-	-	441,220
179A PL General Plan Maintenance Fees	1,440,350	121,200	(91,030)	1,470,520
179B CEO OES Homeland Security Grant 2005	(13,972)	-	-	(13,972)
179C AC 2006 Tobacco Securitization	41,427,214	-	-	41,427,214
179D CEO OES Homeland Security Grant 2007	215	-	-	215

**Total Special Revenue Funds \$ 191,769,329 \$ 478,385,750 \$ (501,756,368) \$ 168,398,711**

### CAPITAL PROJECTS

2025 CEO Courthouse Construction	2,898,058	750,000	(329,542)	3,318,516
2026 CEO Criminal Justice Facility	2,690,090	925,000	(661,820)	2,953,270
2061 Redevelopment	8,315,564	4,395,000	(10,783,277)	1,927,287
2062 Redevelopment-Housing set-aside	9,883,338	2,238,906	(7,065,256)	5,056,988

**Capital Projects Total \$ 23,787,050 \$ 8,308,906 \$ (18,839,895) \$ 13,256,061**

### ENTERPRISE

4001 PW Transit	6,566,195	4,402,362	(5,644,295)	5,324,262
4021 ER Fink Road Landfill	17,364,897	5,693,000	(7,036,659)	16,021,238
4031 ER Geer Road Landfill	(3,130,419)	1,258,612	(1,358,612)	(3,230,419)
4051 HSA Clinic & Ancillary Services	(10,887,857)	46,023,597	(46,022,583)	(10,886,843)
4081 SO Inmate Welfare/Commissary	523,519	1,170,500	(1,200,492)	493,527

**Enterprise Fund Total \$ 10,436,335 \$ 58,548,071 \$ (61,262,641) \$ 7,721,765**

# STANISLAUS COUNTY FUND BALANCE REPORT 2011-2012 ADOPTED FINAL BUDGET

		Beginning Fund Balance 7/1/2011	Adopted Final Budget Revenue	Adopted Final Budget Appropriations	Projected Fund Balance 6/30/2012
<b>INTERNAL SERVICE</b>					
5001	GSA Central Services	242,928	581,980	(684,565)	140,343
5011	Communications	854,562	736,808	(848,332)	743,038
5021	GSA Fleet Services	807,733	2,181,453	(2,181,453)	807,733
5022	GSA Fleet Services Vehicle Replacement	506,980	-	-	506,980
5031	MIS General	2,401,602	3,336,728	(3,794,389)	1,943,941
5051	General Liability	(1,689,598)	4,665,706	(4,665,706)	(1,689,598)
5061	Professional Liability	669,613	1,316,000	(1,816,000)	169,613
5071	Unemployment Insurance	279,845	1,394,950	(1,394,950)	279,845
5081	Workers' Compensation Ins	133,092	5,270,000	(5,270,000)	133,092
5091	Purchased Insurance	17,661	42,163,722	(42,163,722)	17,661
5101	Dental Insurance	773,089	4,565,036	(4,565,036)	773,089
5111	Vision Insurance	837,763	972,822	(972,822)	837,763
5121	PW Morgan Shop Garage	9,462,272	2,928,197	(3,592,608)	8,797,861
5141	CEO I-CJIS Project	3,104,389	301,110	(758,160)	2,647,339
5170	GSA Facility Maintenance	-	6,146,135	(6,530,681)	(384,546)
<b>Internal Service Fund Total</b>		<b>\$ 18,401,931</b>	<b>\$ 76,560,647</b>	<b>\$ (79,238,424)</b>	<b>\$ 15,724,154</b>
		<b>Total</b>	<b>\$ 352,646,530</b>	<b>\$ 836,968,139</b>	<b>\$ (891,127,103)</b>
				<b>\$ 298,487,566</b>	

The Fund Balance Report depicts the fund balance/retained earnings position of the County's General, Special Revenue, Capital Projects, Enterprise and Internal Service funds. Ideally, each fund should reflect a positive position after accounting for recommended budget requests. Negative balances can be divided into a few general categories.

Several of the funds in a negative fund balance position can be covered through fund transfers from other departmental funds. Examples include the Public Works Road & Bridge fund (1101) covering the deficit in the Public Works Road Projects fund (1102); the Mental Health fund (1501) providing the resources for the Mental Health Public Guardian fund (1503), Mental Health Managed Care fund (1504) and the Mental Health Prop 63 fund (1507) negative balances; and the Environmental Resources Fink Road Landfill (4021) transferring funds to the Environmental Resources Geer Road Landfill (4031).

Some of the funds show negative balances due to the timing of reimbursement revenue. Prime examples are the Planning and Office of Emergency Services grants that have incurred costs in the prior fiscal year but have yet to receive reimbursement from the Federal or State agency that provides the funds. Also included in this category are the Department of Child Support Services, District Attorney funds and the Health Services Agency Indigent Health Care fund.

The final category of negatively impacted funds includes those departments that have structural issues with an identified corrective plan of action. Most notable are the Health Services Agency Clinic & Ancillary Services Enterprise fund which has a plan in place to pay off debt accumulated between the late 1990's through 2005 and the General Services Agency Facility Maintenance Internal Service fund which was just transferred from the General Fund and is relying on a General Fund loan to cover the deficit. The General Liability fund (5051) negative balance is the result of an accounting adjustment made at the end of Fiscal Year 2009-2010 to increase the fund liability based on their annual actuarial review. Some funds, such as the Sheriff's Department Vehicle Theft fund (1715) will decrease appropriations during the First Quarter review in order to finish the year without a negative fund balance.

## **GENERAL FUND—CLASSIFICATION OF FUND BALANCE**

The Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes five fund balance classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications are listed in order from most restrictive to least restrictive. Although only the General Fund is addressed in this section, Statement No. 54 applies to the Special Revenue and Capital Project funds as well.

**Nonspendable** is fund balance that is not in a spendable form or is legally or contractually required to be maintained intact. Most accounts in this category are adjusted prior to the year-end close of the accounting records and reflect net changes in balances (such as recording payments on internal loans or adjusting pre-paid invoices). The largest adjustment, in line with the prior two years, is to the Teeter Receivable account. The County and its political subdivision operate under the alternative method of tax apportionments known as the "Teeter Plan", crediting each taxing entity with 100 percent of their secured tax levy, regardless of the actual payments received or delinquencies paid. In order to fund the payments advanced to taxing agencies and the accumulated pool of delinquencies, a note receivable was established and has been maintained with transfers from the General Fund. The amount necessary to fund the long term portion of the Teeter Receivable note decreased due to a continued drop in real property values and a continuing decrease in the number of delinquencies carried. \$4,220,881 was released from the Nonspendable fund balance and assigned to the Teeter Plan of the Assigned fund balance classification to be used in future years when an increase to the Teeter Receivable account becomes necessary.

**Restricted** fund balance identifies amounts that can be spent only for the specific purposes stipulated by constitution, external parties (such as creditors, grant providers or contributors) or through enabling legislation. The only restricted account at this time is for Tax Loss Reserve which is set aside to cover potential losses that may occur in tax liens when tax-defaulted property is sold. The balance was reduced by \$267,592 as part of the 2010-2011 year-end close as a result of the decline in the property tax roll.

**Committed** fund balance can be used only for the specific purposes determined by a formal action of the local government's highest level of decision-making authority (the Board of Supervisors). Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. During Fiscal Year 2010-2011 the Board approved the use of \$77,500 to assist with the costs of a change of venue capital murder case. The Board also approved as part of the 2011-2012 Adopted Proposed budget the use of \$4.5 million to assist in balancing the budget. A strategy to use \$8 million per year over a three year period to balance the budget was begun in Fiscal Year 2009-2010. This is the final year of the \$24 million strategy - the additional \$3.5 million will come from Assigned fund balance.

**Assigned** fund balance is comprised of amounts intended to be used for specific purposes that are neither restricted nor committed. The Board of Supervisors has delegated authority over this classification to the Chief Executive Office. Fund balance of \$15,643,578 was assigned as Budget Balancing set-aside in Fiscal Year 2010-2011. At fiscal year-end this amount was released into the Unassigned fund balance to be used in the balancing of actual expenditures. To balance the 2011-2012 Adopted Proposed Budget \$13,195,710 was identified as needed and an additional \$1,669,300 was approved as part of the Adopted Final Budget. Sources for this \$14.9 million 2011-2012 assignment are the \$4.5 million from Committed fund balance, \$1.6 from Assigned Contingencies, \$1.9 from Tobacco Settlement and Securitization assignments and \$6.9 million from the Unassigned fund balance.

Other changes to the Assigned fund balance include an increase of \$4,220,881 to the Teeter Plan as highlighted in the Nonspendable narrative above, adjustments to Carryover Appropriations and Encumbrances representing changes in requests from the prior fiscal year, and an increase in departmental net county cost savings (75% Carryover Appropriations). The \$4.3 million net county cost carryover consists of expenditure savings from the 2010-2011 fiscal year. Additionally, an assignment was created for the purpose of lending funds to the General Services Agency as they transition from a

General Fund department into an internal services fund department. This assignment was then reclassified to Nonspendable fund balance.

**Unassigned** fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. The fund balance for the General Fund at the 2010-2011 Fiscal Year end totaled \$18.7 million, a decrease of just under \$1 million from the \$19.5 million beginning balance (before initial balancing adjustments). In contrast to the last two years, revenue exceeded expenditures by \$1.5 million, accentuating the fact that reserves were not necessary to fund overall operating activities as in the previous years.

The 2011-2012 Adopted Proposed Budget was balanced using \$5.2 million of unassigned fund balance and \$8 million from a combination of Committed and Assigned fund balance sources. A net increase of \$1,669,300 requested as part of the Recommended Final Budget will necessitate the use of \$6.9 million in Unassigned fund balance. After assigning the \$6.9 million for Budget Balancing, increasing the assignment identifying departmental net county cost savings by \$4.3 million and increasing Carryover Appropriations by \$.5 million, the remaining Unassigned fund balance of \$7 million is available for additional assignment or assistance in covering net increases to the overall budget in the future. When the 2011-2012 Fiscal Year closes, the \$14.9 million in the Budget Balancing assignment will be released to fund the costs that are incurred in the Unassigned category.

### **Summary**

The General Fund, as of June 30, 2011, reflected an overall fund balance in all funds of \$108,251,886 inclusive of all classifications. Nonspendable fund balance of \$25,176,633 is not available for general appropriation. An additional \$384,546 is to be classified as a loan to the General Services Agency. Restricted fund balance of \$3,902,068 is set aside in accordance to Revenue and Taxation Code 4703 to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. The \$7,360,782 of Committed fund balance was approved through past actions of the Board of Supervisors for specific purposes and may be changed only by action of the Board prior to the end of the fiscal reporting period as part of the Proposed Budget process. On June 7, 2011, the Board approved the use of \$4,525,395 in committed funds to take effect at the start of Fiscal Year 2011-2012 as part of the budget balancing strategy. The Assigned fund balance of \$51,067,461 includes amounts designed to maintain County finances in an overall sound fiscal position. An increase of \$15,875,585 in Assigned fund balance will primarily cover the balancing of the budget and the net county cost savings achieved by departments in the prior year. The Unassigned fund balance of \$20,744,942 will be decreased by \$11,734,736 to more properly classify funds and to assign the use of \$14.9 million for 2011-2012 budget balancing. The portion of the Unassigned fund balance related to the Economic and Community Development Banks will continue to be available for community projects.

# STANISLAUS COUNTY CLASSIFICATION OF FUND BALANCE 2011-2012 ADOPTED FINAL BUDGET

GENERAL FUND	2010-2011 Fund Balance Classification	2010-2011 Fiscal Year Adjustments	2011-2012 Fund Balance Classification	2011-2012 Adjustment Strategies	2011-2012 Use of Fund Balance	Projected Fund Balance as of 06/30/2012
<b>Fund Balance - Nonspendable:</b>						
Fund 100 - Fair value adjustment	\$ 807,992	\$ 257,240	\$ 1,065,232	\$ -	\$ -	\$ 1,065,232
Fund 105 - Fair value adjustment	13,578	2,440	16,018	-	-	16,018
Fund 107 - Fair value adjustment	11,997	1,906	13,903	-	-	13,903
Imprest Cash	91,845	(10)	91,835	-	-	91,835
Advances to other funds	500,000	(400,000)	100,000	384,546	-	484,546
Advances to other governments	311,239	60,830	372,069	-	-	372,069
Economic Development advances	3,454,115	570,075	4,024,190	-	-	4,024,190
Teeter receivable	22,233,301	(4,220,881)	18,012,420	-	-	18,012,420
Deposits with others	10,000	(10,000)	-	-	-	-
Prepaid items	220,925	(4,739)	216,186	-	-	216,186
Encumbrances	-	1,264,780	1,264,780	-	-	1,264,780
Total Nonspendable	\$ 27,654,992	\$ (2,478,359)	\$ 25,176,633	\$ 384,546	\$ -	\$ 25,561,179
<b>Fund Balance - Restricted:</b>						
Tax Loss Reserve	\$ 4,169,660	\$ (267,592)	\$ 3,902,068	\$ -	\$ -	\$ 3,902,068
Total Restricted	\$ 4,169,660	\$ (267,592)	\$ 3,902,068	\$ -	\$ -	\$ 3,902,068
<b>Fund Balance - Committed:</b>						
Various Programs and Projects	\$ 6,138,282	\$ (77,500)	\$ 6,060,782	\$ (4,525,395)	\$ -	\$ 1,535,387
Capital Acquisition	1,300,000	-	1,300,000	-	-	1,300,000
Total Committed	\$ 7,438,282	\$ (77,500)	\$ 7,360,782	\$ (4,525,395)	\$ -	\$ 2,835,387
<b>Fund Balance - Assigned:</b>						
Contingencies	\$ 4,091,493	\$ (60,830)	\$ 4,030,663	\$ (1,598,254)	\$ -	\$ 2,432,409
Tobacco Settlement and Securitization	1,876,351	-	1,876,351	(1,876,351)	-	-
Retirement Obligation	2,000,000	-	2,000,000	-	-	2,000,000
Teeter Plan	20,055,050	4,220,881	24,275,931	-	-	24,275,931
Carryover Appropriations (100)	1,949,064	-	1,949,064	542,980	-	2,492,044
Carryover Appropriations (105)	23,060	(23,060)	-	-	-	-
Carryover Appropriations (107)	171,800	(112,440)	59,360	-	-	59,360
75% Carryover Appropriations (100)	4,879,112	-	4,879,112	4,326,746	-	9,205,858
Encumbrances	1,261,520	(1,261,520)	-	-	-	-
Encumbrances-Econ Development	1,395,679	(733,245)	662,434	-	-	662,434
Debt Service	10,950,000	-	10,950,000	-	-	10,950,000
Loan to General Services Agency	-	384,546	384,546	(384,546)	-	-
Budget Balancing	15,643,578	(15,643,578)	-	14,865,010	(14,865,010)	-
Total Assigned	\$ 64,296,707	\$ (13,229,246)	\$ 51,067,461	\$ 15,875,585	\$ (14,865,010)	\$ 52,078,036
<b>Fund Balance - Unassigned</b>						
General Fund (100)	\$ 1,134,445	\$ 17,590,430	\$ 18,724,875	\$ (11,734,736)	\$ -	\$ 6,990,139
Economic Development Bank (105)	329,809	207,080	536,889	-	-	536,889
Community Development Bank (107)	1,392,558	90,620	1,483,178	-	-	1,483,178
Total Unassigned	\$ 2,856,812	\$ 17,888,130	\$ 20,744,942	\$ (11,734,736)	\$ -	\$ 9,010,206
<b>TOTAL FUND BALANCE</b>	<b>\$ 106,416,453</b>	<b>\$ 1,835,433</b>	<b>\$ 108,251,886</b>	<b>\$ -</b>	<b>\$ (14,865,010)</b>	<b>\$ 93,386,876</b>

# STANISLAUS COUNTY DISCRETIONARY REVENUE 2011-2012 ADOPTED FINAL BUDGET

ACCOUNT DESCRIPTION	Actuals As of 6/30/2010	Actuals As of 6/30/2011	Adopted Proposed Budget 2011-2012	Adopted Final Budget 2011-2012
<b><u>TAXES</u></b>				
10000 Property taxes-current secured	\$ 35,194,433	\$ 33,709,879	\$ 32,326,000	\$ 32,326,000
10005 Property Taxes-Unitary	969,906	935,665	886,000	886,000
10007 Property Taxes-SRAF Loan	(7,866,152)	-	-	-
10210 RDA Pass Through Increment	2,723,053	2,467,289	2,496,000	2,496,000
10400 Property taxes-current unsecured	1,813,493	1,907,974	1,874,000	1,874,000
11000 Property taxes-prior unsecured	82,420	61,794	53,000	53,000
11400- Property taxes-supplemental	144,377	288,176	100,000	100,000
11800 Sales and use taxes	10,020,806	11,742,978	11,552,000	11,552,000
12630 Other taxes-occupancy tax	680,780	661,155	622,000	622,000
12640 Other taxes-race horse	11	-	-	-
12650 Other taxes-property transfer	1,271,225	1,198,951	1,198,000	1,198,000
12680 Other taxes-aircraft tax	60,781	91,135	289,000	289,000
12700 In Lieu of Sales and Use Tax revenue	3,762,405	3,032,271	3,171,000	3,171,000
12710 Property Tax In-Lieu of Vehicle License Fee	47,512,155	45,292,718	43,254,000	43,254,000
12750 FHA in lieu tax apportionment	20,017	18,928	20,000	20,000
12800 Tax deeded land sale appro.	795	198	-	-
<b>Total</b>	<b>\$ 96,390,505</b>	<b>\$ 101,409,111</b>	<b>\$ 97,841,000</b>	<b>\$ 97,841,000</b>
<b><u>LICENSES, PERMITS AND FRANCHISES</u></b>				
14000 Franchises	\$ 958,324	\$ 985,842	\$ 975,000	\$ 975,000
<b>Total</b>	<b>\$ 958,324</b>	<b>\$ 985,842</b>	<b>\$ 975,000</b>	<b>\$ 975,000</b>
<b><u>FINES, FORFEITURES &amp; PENALTIES</u></b>				
16500 Fines, Forfeitures & Penalties	\$ 7,886,132	\$ 5,729,900	\$ 6,100,000	\$ 6,100,000
<b>Total</b>	<b>\$ 7,886,132</b>	<b>\$ 5,729,900</b>	<b>\$ 6,100,000</b>	<b>\$ 6,100,000</b>
<b><u>REVENUE FROM USE OF MONEY</u></b>				
17000 Interest	\$ 2,227,711	\$ 1,416,496	\$ 1,189,000	\$ 1,189,000
18000 Rents and concessions	202,075	202,076	202,000	202,000
18060 Cnty Cntr III - SCOE	140,400	140,402	140,000	140,000
<b>Total</b>	<b>\$ 2,570,186</b>	<b>\$ 1,758,974</b>	<b>\$ 1,531,000</b>	<b>\$ 1,531,000</b>
<b><u>INTERGOVERNMENTAL REVENUES</u></b>				
21460 St-Aid realignment	\$ 922,000	\$ 922,000	\$ 922,000	\$ 922,000
24400 State-Homeowners' prop tax relief	592,372	585,693	579,000	579,000
24800 State-Public safety (prop 172)	28,705,578	30,242,642	30,498,000	30,498,000
25310 St-Other-Trans Redevelop Funds	-	919,209	-	-
28800 Federal-Other	8	8	-	-
28810 Fed-Other-entitlement lands	7,866	51,543	16,000	16,000
29600 Fed-Other-Refuge Revenue Sharing	43,387	956	-	-
29715 Other Governmental Agencies	51,806	45,025	47,000	47,000
<b>Total</b>	<b>\$ 30,323,017</b>	<b>\$ 32,767,076</b>	<b>\$ 32,062,000</b>	<b>\$ 32,062,000</b>
<b><u>CHARGES FOR SERVICES</u></b>				
36990 Sb813 administration costs	\$ 278,044	\$ 194,337	\$ 295,000	\$ 295,000
38021 Govt fund rev A-87 carry forward	(239,110)	(621,350)	(1,015,000)	(1,015,000)
38700 Interfund revenue	-	25,413	-	-
39901 Funds >13 rev A-87 carry forward	(161,070)	(89,810)	(158,000)	(158,000)
<b>Total</b>	<b>\$ (122,136)</b>	<b>\$ (491,410)</b>	<b>\$ (878,000)</b>	<b>\$ (878,000)</b>

## STANISLAUS COUNTY DISCRETIONARY REVENUE 2011-2012 ADOPTED FINAL BUDGET

ACCOUNT DESCRIPTION	Actuals As of 6/30/2010	Actuals As of 6/30/2011	Adopted Proposed Budget 2011-2012	Adopted Final Budget 2011-2012
<b>MISCELLANEOUS REVENUE</b>				
40400 Miscellaneous Revenue	\$ -	\$ 59	\$ 4,000	\$ 4,000
40410 Unclaimed monies	93,879	29,937	27,000	27,000
40540 Unclaimed estates	-	26,752	-	-
40560 Cancelled warrants	136,050	(53,939)	67,000	67,000
41450 Prior period revenue	-	(19,271)	-	-
<b>Total</b>	<b>\$ 229,929</b>	<b>\$ (16,462)</b>	<b>\$ 98,000</b>	<b>\$ 98,000</b>
<b>OTHER FINANCING SOURCES</b>				
46600 Operating transfers in	\$ -	\$ 742,509	\$ -	\$ -
46612 Transfer-2002 endowment drawdown	2,010,464	1,913,182	1,900,000	1,900,000
46613 Transfer-2006 endowment drawdown	870,726	395,420	400,000	400,000
<b>Total</b>	<b>\$ 2,881,190</b>	<b>\$ 3,051,111</b>	<b>\$ 2,300,000</b>	<b>\$ 2,300,000</b>
<b>TOTAL DISCRETIONARY REVENUE</b>				
	<b>\$ 141,117,147</b>	<b>\$ 145,194,142</b>	<b>\$ 140,029,000</b>	<b>\$ 140,029,000</b>
17610 Increase(decrease)-fair value of investments	\$ (633,259)	\$ 257,093	\$ -	\$ -
<b>TOTAL ADJUSTED DISCRETIONARY REVENUE</b>				
	<b>\$ 140,483,888</b>	<b>\$ 145,451,235</b>	<b>\$ 140,029,000</b>	<b>\$ 140,029,000</b>

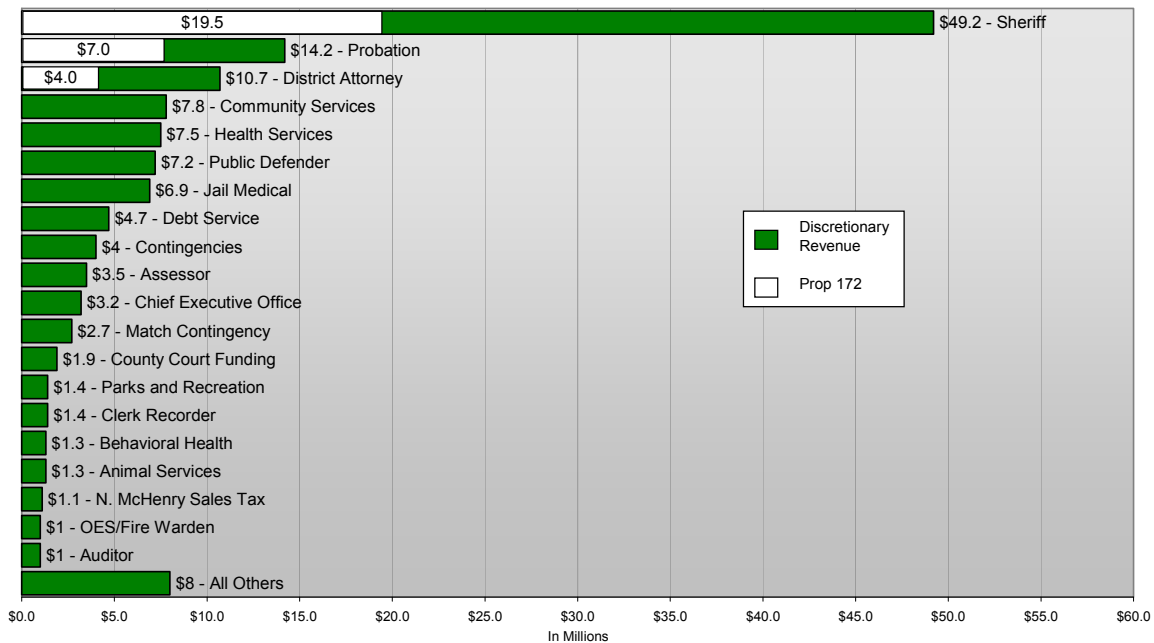
**DISCRETIONARY REVENUE**

Revenue available to fund programs at the Board of Supervisors’ discretion is referred to as Discretionary Revenue. The majority of discretionary revenue in the 2011-2012 Adopted Final Budget supports funding for public safety and criminal justice services for the Sheriff, Probation, District Attorney and Public Defender as well as government-related services such as the Chief Executive Office, Assessor and the General Services Agency. Health and Human Services departments use discretionary revenue as matching funds to support maintenance of effort requirements for leveraging additional revenues for Federal and State supported programs. Since most of the Board of Supervisors’ discretion is directly linked to this revenue source, considerable attention is given to key discretionary revenue sources.

The 2011-2012 Adopted Final Budget, at \$140,029,000, projects an overall decrease in discretionary revenue of \$3.9 million when compared to the Fiscal Year 2010-2011 Final Adjusted Budget. This projected decrease is primarily attributed to the continued loss of property related tax revenues. For the fourth year in a row the County Assessor announced an overall decrease in assessed property values. The declines in the prior three years resulted primarily from the residential real estate downturn. The 3.4% decrease for Fiscal Year 2011-2012 is the result of the Assessor’s focus on the reassessment of commercial property values for declines in value.

The following chart summarizes the proposed distribution of discretionary revenue for Fiscal Year 2011-2012, clearly indicating that the Board of Supervisors’ top priority of “A Safe Community” is the largest recipient of this revenue source.

**Distribution of Discretionary Revenue – Adopted Final Budget for Fiscal Year 2011-2012  
\$140,029,000**



**Overview**

Ninety percent of all discretionary revenue consists of property and sales tax sources. When fines and penalties collected from delinquent property taxes are factored in, nearly 95% of discretionary revenue has ties to property and sales taxes. The largest dollar volume comes from current secured property taxes, property taxes received in-lieu of Vehicle License Fees, Public Safety Sales Tax (Prop 172) and the 1 % local sales and use taxes. A number of these categories are monitored on a regular basis with consideration given to, among other factors,

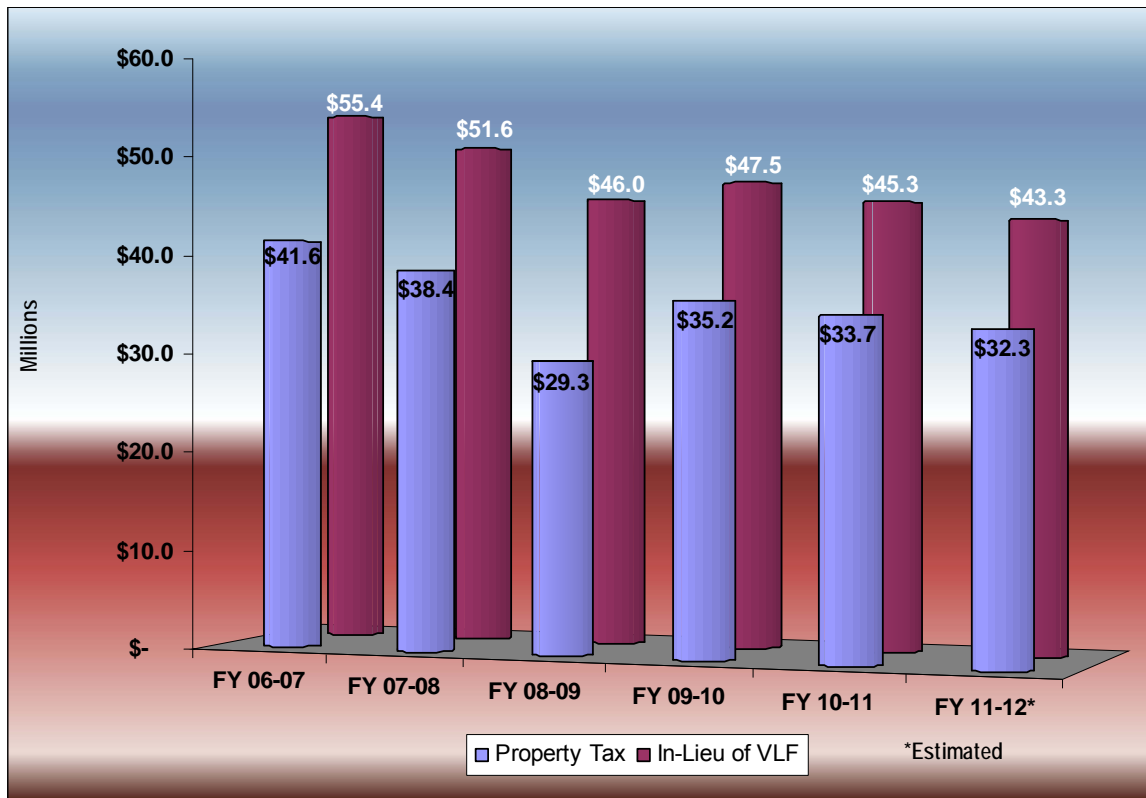
historical inflow trends and local and regional economic conditions. A brief summary of the major discretionary revenue categories is provided below.

**Secured Property Taxes and Property Taxes In-Lieu of Vehicle License Fees**

The County receives a portion of the annual property tax revenues that are collected by the Tax Collector. This portion varies among tax code areas, depending on the percentage that is allocated for each area between the County, cities, special districts, redevelopment agencies and schools. In Fiscal Year 2010-2011 the County’s portion was approximately 12% of the taxes collected, among some of the lowest county allocations in the state.

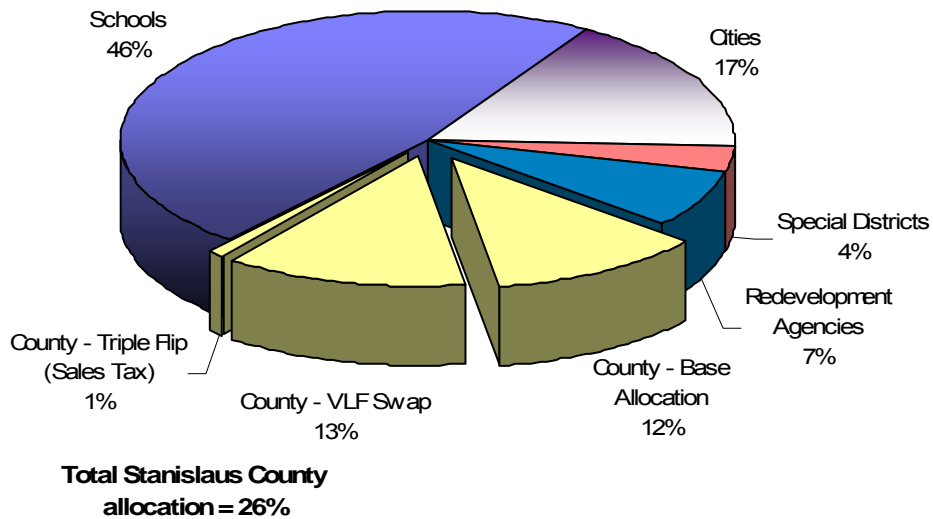
During the 2004-2005 Fiscal Year, a major shift in local government funding occurred as the revenue received from Vehicle License Fees (VLF) was exchanged by the State of California for an equivalent amount of property taxes. This swapped revenue, shown as “Property Tax In-Lieu of VLF” on the discretionary revenue schedule, increased the County’s reliance on property tax revenue. The following chart reflects revenue received over the past six years comparing Secured Property Tax revenue to Property Taxes received in-lieu-of Vehicle License Fees:

**Property Tax and In-Lieu Vehicle License Tax**



The formula to calculate Property Tax In Lieu of VLF is very specific, requiring the certified value of all properties provided to the Auditor-Controller by the Assessor as of January 1 of each year before tax roll adjustments. This provides for a uniform application across the State and any roll changes made are captured in the following year. The revised relative share of property tax by governmental entity when the VLF Swap and Sales Tax In Lieu of Property Tax revenues (discussed in the Sales and Use Tax section) are factored in is shown in the following chart and reflects the County’s overall property tax percentage share of 26%.

## Property Tax Allocations after VLF Swap and Triple Flip



The decline in residential assessed valuation that the County has experienced in the last few years may be leveling off. However, commercial properties have now been re-assessed to more accurately capture values that are in accordance with the deflated economy. The commercial re-assessments coupled with a stagnant residential market are driving the overall valuation decrease, affecting both the Secured Property Tax and Property Taxes in-lieu of Vehicle License Fee revenues. This marks the fourth straight year of declines in the Property Tax Roll.

### Public Safety Sales Tax

As a result of the 1993-1994 State Budget, property tax revenues were shifted from the counties and cities to schools, thereby reducing the state's funding obligations to public schools. A ½ cent sales tax was enacted in January of 1994 (Proposition 172) to help alleviate the impact to local government. This sales tax, known as the "Public Safety Sales Tax," allowed an additional ½ cent sales tax to be collected and allocated to local agencies to exclusively fund public safety activities. In Stanislaus County these monies are used to fund the Sheriff, District Attorney, Probation and Juvenile Institutions operations.

There is a Maintenance of Effort (MOE) for these funds that requires a minimum commitment of local resources to be allocated to public safety services. To receive the full allocation of these revenues, minimum funding levels for public safety functions must equal or exceed the 1992-1993 base year funding, adjusted by a growth factor. The minimum adjusted level calculated for 2010-2011 was \$51.4 million, with the actual budget commitment established at \$94.1 million. This resulted in the County exceeding the MOE requirement by nearly \$42.7 million concerning the use of Proposition 172 revenues.

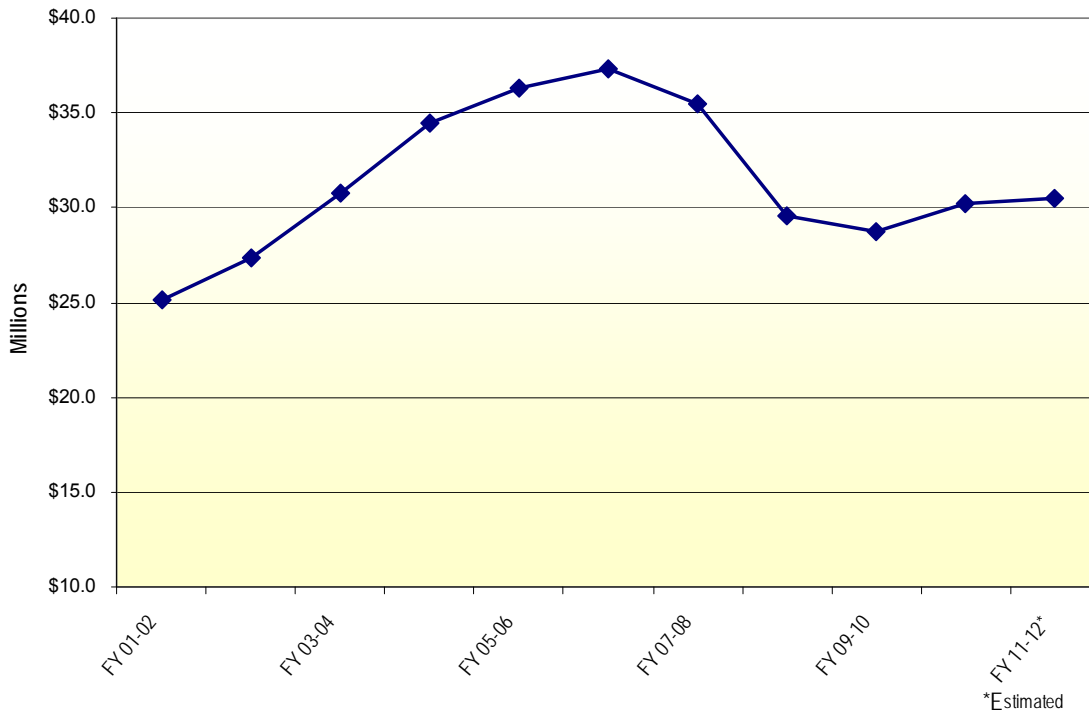
The Public Safety Sales Tax is collected by the State Board of Equalization and apportioned to each county based on the county's proportionate share of statewide taxable sales. The combination of statewide taxable sales and the proportionate share (or "pool rate") are the factors that determine the amount of revenue from this tax source. For several years Stanislaus County's population growth resulted in an increase in the overall proportion of the State sales tax pool rate. Because of the recent economic downturn the County's portion of the overall sales tax pool decreased in the past three years resulting in a reduction in the pool rate for Fiscal Years 2007-2008 through 2009-2010. The rate for the 2010-2011 Fiscal Year was up slightly but sales volume in Stanislaus County for 2010-2011 indicates that the County's portion of the State sales tax pool is down slightly, suggesting that the pool rate will once again experience a decrease. The actual rate will not be announced by the State until late November 2011 at the earliest. Because

the statewide total of the sales tax pool normally exceeds \$2 billion, even the slightest change in the pool rate can have a significant impact in revenue projections.

Fiscal Year	Stanislaus County Pool Rate	Increase/(Decrease)
2006-2007	0.013589	0.000041
2007-2008	0.013155	-0.000434
2008-2009	0.012732	-0.000423
2009-2010	0.012664	-0.000068
2010-2011	0.012819	0.000155
Proposed 2011-2012	0.012709	-0.000110

The Adopted Final Budget estimate of \$30.5 million for this revenue source reflects a cautious approach to the recent increase in consumer confidence statewide. This represents a 5.9% increase to the 2010-2011 Adopted Final Budget amount of \$28.8 million but only a 1% increase to the \$30.2 million actually received in Fiscal Year 2010-2011. Slightly over 4% of the entire Proposition 172 revenue received is distributed to cities, with the balance retained by the County. The following chart reflects the actual Proposition 172 revenue received over the past ten years.

**Prop 172 Public Safety Sales Tax**



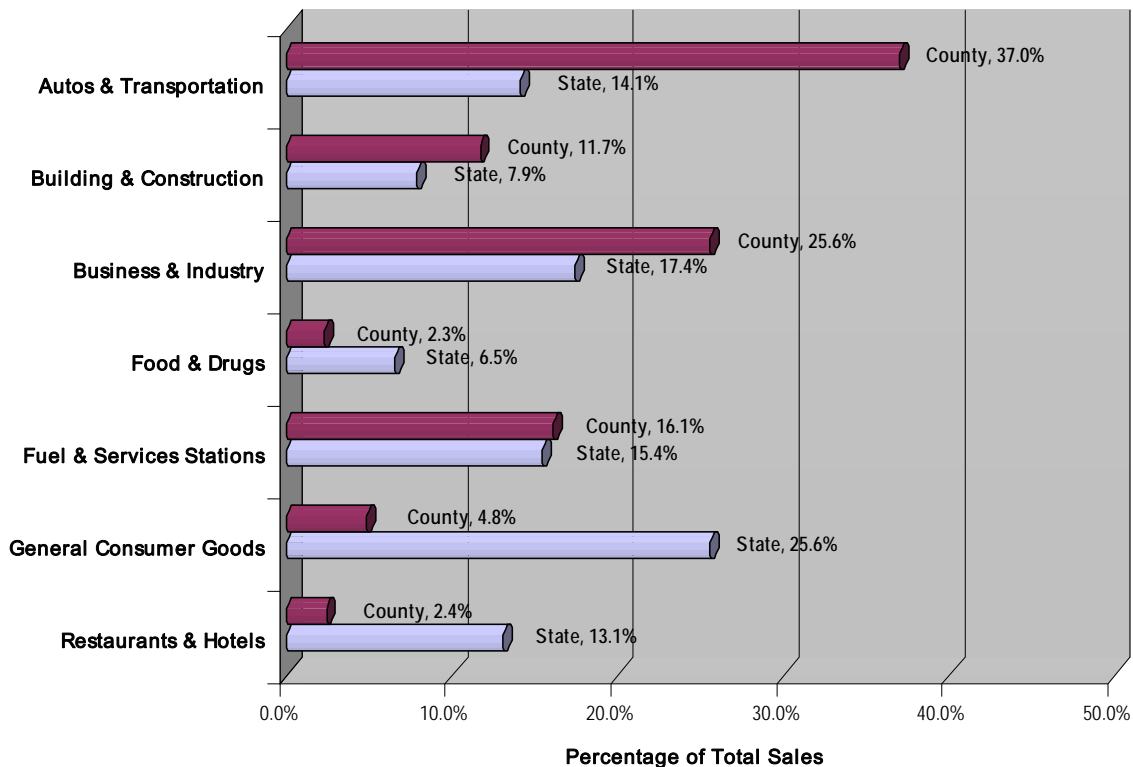
**Sales and Use Tax**

California has a statewide sales and use tax rate of 7.25%. This represents a decrease of 1% as the temporary 1% increase that took effect April 1, 2009 as a part of the State Budget compromise expired on June 30, 2011. In addition, the voters in Stanislaus County passed a 1/8 cent sales tax measure in 1995 and again in 1999 and 2004 to support local libraries. Sales Tax receipts are distributed as follows:

Sales Tax Distribution	Amount
State General Fund	5.00%
State Economic Recovery Bonds ("Triple Flip")	0.25%
Incorporated/Unincorporated Areas (Discretionary Revenue)	0.75%
Countywide Transportation Fund	0.25%
County Health and Social Services Programs ("Realignment")	0.50%
Public Safety Sales Tax	0.50%
Library Tax	0.125%
<b>Total</b>	<b>7.375%</b>

The following graph illustrates the business mix that contributes to sales and use taxes in the unincorporated areas of Stanislaus County compared to the taxes collected in the State as a whole. These percentages represent activity in the quarter ending June 30, 2011. It should be noted that Stanislaus County historically relies on Autos and Transportation sales and Business and Industry activity to a much larger degree than other cities and counties throughout the State.

### Stanislaus County Sales Tax Comparison by Business Type



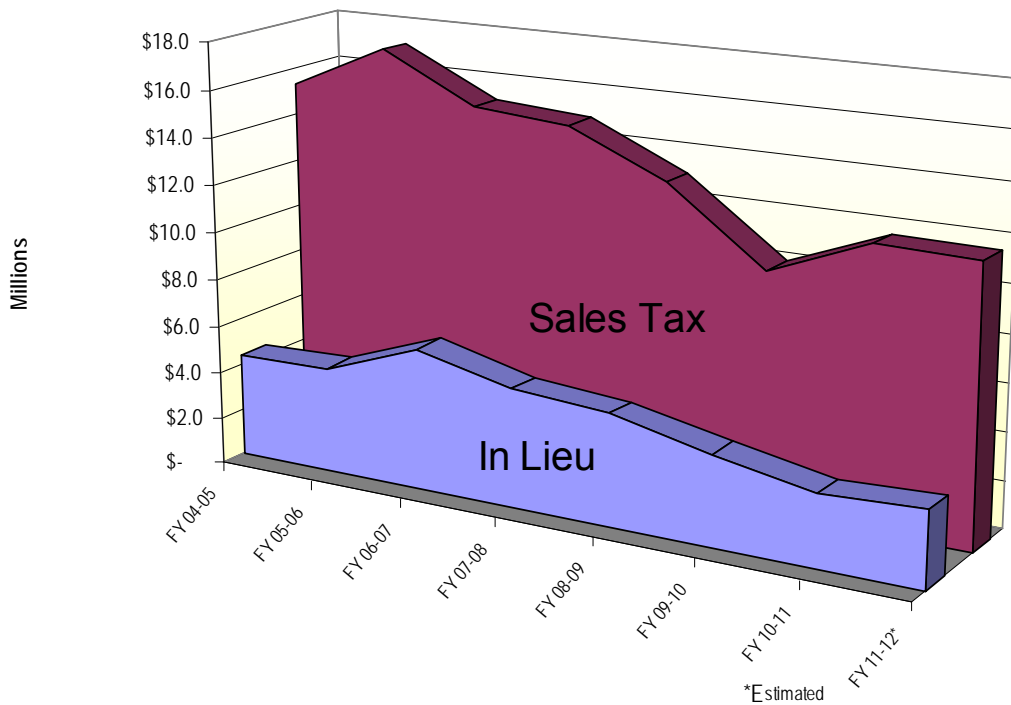
Sales and Use Tax is another discretionary revenue source that was affected by the State budget actions in Fiscal Year 2004-2005. As part of a complicated financing structure for the State Economic Recovery Bonds, the State "flipped" ¼ of the Bradley-Burns sales and use tax from the counties and cities to the bond trustee for debt service payments. In order to compensate for the lost revenue to cities and counties, an equivalent amount of property taxes from the County Education Revenue Augmentation Fund (ERAF) are to be shifted to an "In-lieu of Sales and Use Tax" account. The third leg in this "Triple Flip" would require the State to make up lost ERAF revenue to education from the State of California's General Fund.

Payments to the "In-lieu of Sales and Use Tax" account are to be made by each county's Auditor-Controller in January and May of each fiscal year with an annual "true-up" occurring in the

following September of each fiscal year. The State Department of Finance reconciles what was advanced in the prior year to actual revenue received. In Fiscal Year 2010-2011 the true-up amount had a negative \$642,189 impact on revenue for the County General Fund. The County will have a true-up every fiscal year until the State Bonds are paid off, estimated to occur in the spring of 2016.

The Adopted Final Budget estimate for Stanislaus County is \$11,552,000 in Sales and Use Tax and \$3,171,000 in “In-lieu of Sales and Use Tax”. This anticipated level of funding reflects an anticipated increase in actual sales tax revenue from last years’ budget and may represent a turn-around to the recent downward trend in Stanislaus County.

**Sales and Use Tax and Property Tax In-Lieu of Sales Tax**



**Additional Notable Discretionary Sources**

Fines and penalties collected on delinquent property taxes is one revenue source that has benefited from the falling real estate market. During the height of the residential property crisis, the San Joaquin Valley became known for leading the nation in foreclosures. As homes were lost to the lenders, delinquent taxes and penalties were paid to the County Tax Collector. At the height of the crisis, Stanislaus County added \$10.9 million to its fines and forfeitures revenue account in Fiscal Year 2008-2009. As the rate of foreclosures decline it is expected that the fines and penalties would diminish slightly. Although the 2010-2011 Fiscal Year-End actual amount received fell short of the projection, the Adopted Final Budget amount of \$6.1 million will be reviewed during the Mid-Year report and adjusted as necessary.

Interest earnings for the General Fund fluctuate based on the amount of cash on hand and the interest rate that is adjusted quarterly. As interest rates have declined it is natural that the return on cash investments has been shrinking.

The Documentary Transfer Tax is a tax collected by the Clerk-Recorder at the time of recording when an interest in real property is conveyed. The tax rate is fifty-five cents (\$0.55) for each five hundred dollars (\$500) and is based on the unencumbered assessed value of the property, or the

purchase price, whichever is greater. The decline in assessed values and the reduction in the number of property sales directly affect the tax revenue received in this category.

An 8% Transient Occupancy Tax (TOT) is charged to customers staying in hotels in the unincorporated areas of the County. TOT revenue is directly correlated to consumer travel and is therefore subject to short-term fluctuation based on numerous economic factors. The considerable increase in the 2007-2008 revenue is attributed to the build-out and resulting activity of several hotels along Highway 99 and Interstate 5 running through Stanislaus County. However, the lagging economy has also taken its toll on this revenue source in more recent years.

The following table shows amounts received over the past several years with a proposed philosophy of holding steady in Fiscal Year 2011-2012:

Fiscal Year	Fines & Penalties from Delinquent Taxes	General Fund Interest Earnings	Property Transfer Tax	Transient Occupancy Tax
2006-2007	\$ 5,334,064	\$ 5,433,465	\$ 2,464,222	\$ 668,026
2007-2008	3,014,823	4,277,848	1,528,543	854,857
2008-2009	10,923,451	2,741,137	1,552,846	835,803
2009-2010	7,886,132	2,227,711	1,271,225	680,780
2010-2011	5,729,900	1,416,496	1,198,951	661,155
2011-2012 (Budget)	6,100,000	1,189,000	1,198,000	622,000

#### **DISCRETIONARY REVENUE SUMMARY**

In conclusion, it is recommended that \$140,029,000 be established as the discretionary revenue budget for Fiscal Year 2011-2012. This represents a decrease of \$3.9 million from the 2010-2011 Final Adjusted Budget, or 2.7%. Adjustments may be included as part of the Mid-Year Financial Report, when six months of activity will be available for Fiscal Year 2011-2012.

## **OTHER MAJOR REVENUE SOURCES (NON DISCRETIONARY REVENUE)**

In addition to discretionary revenue, other revenue is included as part of the County budget. These revenue sources are designated for specific purposes by statute or Federal/State grant or funding requirements. Over 83% of the revenue that Stanislaus County receives is dedicated for specific purposes and can only be used for those purposes. An example of this is "Federal Aid for Children – Family Group", one of the single largest revenue accounts in the County with a budget estimate of over \$33 million. These funds can only be used by the Community Services Agency to make assistance payments for the CalWORKs All Other Families Program.

The County budget for Fiscal Year 2011-2012 anticipates \$672,539,205 in specific or departmental revenue. This total excludes County Match and Miscellaneous Revenue - Prior Year Revenue in the amount of (\$5.8) million in order to more accurately represent the category revenue totals. The \$5.8 million represents the State's one-time diversion of Proposition 10 tobacco tax funds to the State General Fund.

The categories of revenue are further divided into accounts. The following is a listing and brief description of the County's top 25 major revenue sources that are included in the 2011-2012 Adopted Final Budget.

**Federal Aid for Children – Family Group/Account 27240** - This revenue from the Federal government is for assistance payments for the CalWORKs All Other Families Program and is budgeted at \$33,648,764 compared to \$33,162,115 in the 2010-2011 Adopted Final Budget.

**Federal Administration Aid to Families with Dependent Children Family Group/Unemployed/Account 27060** - This revenue from the Federal government is for administration and services costs of the CalWORKs, Mental Health/Substance Abuse, Promote Safe and Stable Families (PSSF) Programs, and the Consortium IV (CIV) Project and is budgeted at \$24,290,342. This level of funding is lower than the 2010-2011 Adopted Final Budget level by \$519,126.

**State-Assistance-CW All Other Families/Account 21430** - This revenue recognizes the State cash reimbursements/operating revenue associated with the State share of cost for CalWORKs. All Other Families represent the Federally eligible single parent families who receive monthly CalWORKs public assistance payments. This population accounts for approximately 75% of the persons receiving CalWORKs public assistance and is budgeted at \$24,280,980.

**Federal Administration In-Home Supportive Services Case Management/Account 27184** - This revenue from the Federal government is for administration costs and provision of In-Home Supportive Services and is budgeted at \$23,364,972.

**Medi-Cal Outpatient Revenue/Account 33812** - This revenue from the State is payment for eligible outpatient services provided to Medi-Cal participants and is budgeted at \$21,433,626.

**State Aid-Mental Health/Account 22430** - This revenue from the State government is designated for Mental Health programs allocated to the County based on legislated methodologies and is budgeted at \$20,065,640.

**State Administration Medi-Cal/Account 21070** - This revenue from the State government is for administration costs of the Medi-Cal program and is budgeted at \$18,611,420.

**State Motor Vehicle License Fees/In-lieu Tax Realignment/Account 20390** - This is a companion to Account 46610 and is used to record the receipts of this Vehicle License Fee (VLF) revenue into the General Fund. Revenue estimates for this account were prepared by the Chief Executive Office and reflect an estimate of \$17,100,569 in Fiscal Year 2011-2012.

**Blue Cross Outpatient Revenue/Account 33816** - This revenue from Blue Cross is payment for eligible outpatient services provided to enrolled participants and is budgeted at \$15,855,401.

**State Administration In Home Supportive Services/Account 21060** - This revenue from the State government is for administration costs and provision of In-Home Supportive Services and is budgeted at \$15,705,779. This level is slightly higher than the 2010-2011 Final Budget by approximately \$74,000.

**Mental Health Services-Medi-Cal Reimbursement/Account 33950** - This revenue from the Federal government is the Federal Financial Participation share (50%) of mental health services to Medi-Cal eligible clients. A 50% match is required of the County to access these funds. Funding from Medi-Cal is budgeted at \$14,669,773 and reflects an increase from the 2010-2011 Adopted Final Budget.

**Law Enforcement Services/Account 32800**—This revenue primarily funds contractual law enforcement services provided by the Sheriff's Department and District Attorney to other County and governmental agencies with \$13,419,212 in estimated revenue budgeted in County Public Safety Departments.

**Federal-Assistance-CalWORKs Two Parent Families/Account 27230** - This revenue recognizes the Federal cash reimbursements/operating revenue associated with the Federal share of cost for CalWORKs. Two Parent Families represent the federally eligible two parent families who receive monthly CalWORKs public assistance payments. This population accounts for approximately 21% of those receiving CalWORKs public assistance and is budgeted at \$13,339,775.

**Federal Construction/Account 27600** - This revenue is from the Federal government for the Public Works Road Construction Program and is budgeted at \$12,772,371.

**Federal-Other/Account 28800** - This account represents various types of Federal revenue used primarily to fund Public Health and Community Development Block Grant (CDBG) Programs. This includes Emergency Preparedness, California Children Services (CCS), CCS-Medical Therapy Unit, Children Health and Disability Prevention (CHDP), California Nutrition Network, Refugee Health, Childhood Lead Program, Immunization Assistance Program and TB Prevention. CDBG funding provides for annual work plans in Oakdale, Patterson, Ceres, Newman, Waterford and unincorporated sections of the County. Revenue estimates of \$12,552,938 are down from the 2010-2011 Adopted Final Budget levels of \$14,996,665.

**IDG (Indigent) Outpatient Revenue/Account 33818** - This revenue from the County's Indigent Healthcare Program is payment for eligible outpatient services provided to enrolled participants and is budgeted at \$12,481,405.

**State Aid-Realignment/Account 21460** - This revenue from the State government is for Sales Tax revenue designated for Social Services programs, allocated to the County based on legislated methodologies and is budgeted at \$12,419,765. This level is slightly higher than the 2010-2011 Adopted Final Budget amount of \$12,285,874.

**State Highway Users Tax/Account 20200** - This revenue is from the State and is comprised of fuel tax levied per gallon of fuel. Funds are apportioned to counties in proportion to the number of fee-paid and exempt vehicles registered within the County as compared to the total number in the State. Funds are dedicated to: 1) Providing research, planning, construction, improvement, maintenance, and operation of public streets and highways, including mitigation of their environmental effects, the property taken or damaged for such purposes and the administrative costs necessarily incurred in fulfilling these purposes; 2) Research, planning, construction, and improvement of exclusive public mass transit guideways. The estimated revenue for this account for Fiscal Year 2011-2012 is \$12,300,000.

**Medicare Outpatient Revenue/Account 33810** - This revenue from the Federal government is payment for eligible outpatient services provided to Medicare participants and is budgeted at \$11,534,693.

**Federal Grant Revenue/Account 29581** - This Workforce Investment Act revenue funds a number of Alliance Worknet programs. The estimated revenue for Fiscal Year 2011-2012 of \$10,701,527 is up from \$8,153,204 from the 2010-2011 Adopted Final Budget.

**Federal Administration Non Assisted Food Stamps/Account 27040** - This revenue from the Federal government is for administration costs of the CalFresh (formerly Non Assisted Food Stamps) program and is budgeted at \$10,582,327.

**Taxes 11800** – The estimated non-discretionary revenue is budgeted at \$10,482,580. Of this, \$6.5 million is from the voter approved Library 1/8-cent sales and use tax and the remaining amount is State revenue received through StanCOG for local transportation.

**Federal Administration–Child Support Enforcement/Account 27080** - This account is the Federal funding contribution that supports the Department of Child Support Services. Revenue estimates for Fiscal Year 2011-2012 are \$10,358,970.

**State Aid-Realignment/Account 22510** - This revenue allocated from the State's sales tax and vehicle license fee collections is for the County's required Medi-Cal Match and services to severely mentally ill residents not covered under other funding. Realignment is budgeted at \$8,199,748, slightly higher than budgeted in the 2010-2011 Adopted Final Budget.

**State Administration Non-Assistance Food Stamp/Account 21120** – This account is used to record state revenue as claimed on the California Department of Social Services County Expense Claim for costs associated with administration of the Non-Assistance food Stamp (NASF) Program. The estimated revenue for Fiscal Year 2011-2012 is \$7,878,509.

## **DEBT SERVICE**

### **Certificates of Participation**

The County of Stanislaus debt is primarily in the form of Certificates of Participation (COP). Created in conjunction with lease agreements, which encumber County-owned property. COPs are securities issued and marketed to investors in a manner similar to tax-exempt bonds.

In a COP transaction, the County enters into an agreement with a third party, the Stanislaus County Capital Improvements Financing Authority, to lease an asset (normally a building) over a specific period of time at a predetermined total cost. The asset, owned by the County and leased to the Finance Authority, is then subleased back to the County. In this transaction the Finance Authority sells certificates in order to make its total lease payment to the County at the beginning of the lease period. With that lump sum (advance) lease payment the County then builds or buys the property.

The following chart reflects each outstanding Certificate of Participation (COP) financing by activity, the interest rate as a percent, the original date of issuance, the date of maturity, the original amount borrowed, the balance as of June 30, 2011, the current debt obligations for Stanislaus County for Budget Year 2011-2012, and the remaining balance to maturity once the debt obligation payments are made during the budget year.

	Interest Rate %	Date of Issue	Maturity	Original Borrowing	Balance to Maturity as of June 30, 2011	2011-2012 Debt Obligation Principal	2011-2012 Debt Obligation Interest	Remaining Balance to Maturity
<b>GOVERNMENTAL ACTIVITIES</b>								
1997 Series B Refunding Kitchen/Laundry at the Sheriff's Public Safety Center	3.75-5.00	12/16/1997	6/1/2012	\$9,265,108	\$1,311,758	\$1,311,758	\$65,588	\$0
1998 Series A Public Administration Center 10th Street Place	3.75-4.75	3/1/1998	9/1/2018	\$22,160,000	\$11,585,000	\$1,220,000	\$539,913	\$10,365,000
2004 Series A Gallo Center for the Arts	1.63-4.38	3/26/2004	9/1/2025	\$15,340,000	\$12,345,000	\$640,000	\$471,439	\$11,705,000
2004 Series B 12th Street Office & Parking Garage, Nick W. Blom Salida Regional Library	1.63-4.38	3/26/2004	9/1/2025	\$27,455,000	\$22,085,000	\$1,140,000	\$843,512	\$20,945,000
2007 Series A Refunding Community Services Facility, Public Safety Center, Minimum Security Facility, Sheriff Operations Center, Agricultural Center, Ray Simon Training Center	3.65-5.75	2/1/2007	5/1/2018	\$40,540,000	\$27,450,000	\$3,700,000	\$1,263,288	\$23,750,000
<b>TOTAL GOVERNMENTAL ACTIVITIES:</b>				<b>\$114,760,108</b>	<b>\$74,776,758</b>	<b>\$8,011,758</b>	<b>\$3,183,740</b>	<b>\$66,765,000</b>
<b>BUSINESS TYPE ACTIVITIES:</b>								
1997 Series B Refunding California Health Facilities Financing Authority (CHAFFA)	3.75-5.00	12/16/1997	6/1/2012	\$1,364,892	\$193,242	\$193,242	\$9,662	\$0
<b>Total</b>				<b>\$116,125,000</b>	<b>\$74,970,000</b>	<b>\$8,205,000</b>	<b>\$3,193,402</b>	<b>\$66,765,000</b>

### **Ratios**

A number of ratios can be applied to the County's debt service. For Fiscal Year 2011-2012, the County's total gross debt obligation for its General Fund is \$11,466,218 and the total Recommended Proposed Budget is \$894,271,968. The ratio comparing the annual debt service to total budget shows that debt service represents only 1.28% of the total budget. In addition, a comparison of debt service to discretionary revenue can be obtained by dividing the total gross debt obligation (\$11.5 million) by the total Discretionary Revenue Budget of \$140,029,000. This analysis shows that debt service payments represent 8.2% of the total Discretionary Revenue Budget.

# STANISLAUS COUNTY THREE YEAR BUDGET SUMMARY 2011-2012 ADOPTED FINAL BUDGET

## SUMMARY OF ALL FUNDS

<u>ALL FUNDS</u>	2009-2010		2010-2011		2011-2012
REVENUE CATEGORIES	Actuals		Actuals		Adopted Final Budget
Taxes	\$	109,169,932	\$	118,371,303	\$ 113,657,355
Licenses, Permits, Franchises		3,779,539		3,346,635	3,060,803
Fines, Forfeitures, Penalties		15,853,039		14,102,260	13,548,314
Revenue from Uses of Assets		10,879,174		10,561,573	5,378,834
Intergovernmental Revenue		430,752,434		433,263,492	441,774,894
Charges for Services		220,242,712		210,561,009	207,021,211
Miscellaneous Revenue		8,138,600		7,495,917	(764,862)
Other Financing Sources		54,809,689		67,792,341	53,291,590
<b>Total Revenue</b>	<b>\$</b>	<b>853,625,119</b>	<b>\$</b>	<b>865,494,530</b>	<b>\$ 836,968,139</b>
EXPENDITURE CATEGORIES					
Salaries and Benefits	\$	328,515,986	\$	308,544,735	\$ 328,081,597
Services and Supplies		235,308,875		227,866,747	259,092,716
Other Charges		248,141,683		250,987,533	237,961,673
Fixed Assets		2,064,814		1,668,732	4,811,191
Other Financing Uses		72,862,323		78,154,041	52,973,981
Intrafund		8,437		3,908	(46,312)
Contingencies		-		-	8,252,257
<b>Total Expenditures</b>	<b>\$</b>	<b>886,902,118</b>	<b>\$</b>	<b>867,225,696</b>	<b>\$ 891,127,103</b>
CHANGES TO FUND BALANCE					
Beginning Fund Balance	\$	387,654,695	\$	354,377,696	\$ 352,646,530
Net Increase (Decrease) in Fund Balance/Retained Earnings		(33,276,999)		(1,731,166)	(54,158,964)
<b>Ending Fund Balance</b>	<b>\$</b>	<b>354,377,696</b>	<b>\$</b>	<b>352,646,530</b>	<b>\$ 298,487,566</b>

## GOVERNMENTAL FUNDS

<u>GENERAL FUND</u>	2009-2010		2010-2011		2011-2012
REVENUE CATEGORIES	Actuals		Actuals		Adopted Final Budget
Taxes	\$	96,595,505	\$	101,614,111	\$ 98,041,000
Licenses, Permits, Franchises		2,317,890		1,810,386	1,704,700
Fines, Forfeitures, Penalties		12,221,011		10,084,654	10,383,000
Revenue from Uses of Assets		3,673,167		2,945,399	2,928,894
Intergovernmental Revenue		56,960,708		60,258,910	58,967,438
Charges for Services		40,278,113		39,032,933	34,933,000
Miscellaneous Revenue		317,538		801,713	1,721,451
Other Financing Sources		7,808,928		6,562,210	6,485,282
<b>Total Revenue</b>	<b>\$</b>	<b>220,172,860</b>	<b>\$</b>	<b>223,110,316</b>	<b>\$ 215,164,765</b>
EXPENDITURE CATEGORIES					
Salaries and Benefits	\$	130,420,555	\$	119,610,499	\$ 121,456,818
Services and Supplies		31,186,553		29,128,289	26,824,125
Other Charges		17,898,351		19,142,224	22,078,474
Fixed Assets		1,753,152		872,234	998,905
Other Financing Uses		55,030,571		52,521,637	48,765,829
Intrafund		-		-	2,553,367
Contingencies		-		-	7,352,257
<b>Total Expenditures</b>	<b>\$</b>	<b>236,289,182</b>	<b>\$</b>	<b>221,274,883</b>	<b>\$ 230,029,775</b>
CHANGES TO FUND BALANCE					
Beginning Fund Balance	\$	122,532,774	\$	106,416,452	\$ 108,251,885
Net Increase (Decrease) in Fund Balance		(16,116,322)		1,835,433	(14,865,010)
<b>Ending Fund Balance</b>	<b>\$</b>	<b>106,416,452</b>	<b>\$</b>	<b>108,251,885</b>	<b>\$ 93,386,875</b>

# STANISLAUS COUNTY THREE YEAR BUDGET SUMMARY 2011-2012 ADOPTED FINAL BUDGET

## GOVERNMENTAL FUNDS-Continued

### SPECIAL REVENUE

REVENUE CATEGORIES	2009-2010 Actuals	2010-2011 Actuals	2011-2012 Adopted Final Budget
Taxes	\$ 7,881,015	\$ 9,589,840	\$ 8,075,775
Licenses, Permits, Franchises	1,461,649	1,536,249	1,356,103
Fines, Forfeitures, Penalties	1,916,441	2,297,349	1,590,314
Revenue from Uses of Assets	6,432,219	6,107,745	856,368
Intergovernmental Revenue	372,675,884	368,316,146	381,971,188
Charges for Services	57,731,598	56,648,879	52,677,586
Miscellaneous Revenue	1,921,562	2,748,142	(5,339,115)
Other Financing Sources	38,672,849	51,782,904	37,197,531
<b>Total Revenue</b>	<b>\$ 488,693,217</b>	<b>\$ 499,027,254</b>	<b>\$ 478,385,750</b>

### EXPENDITURE CATEGORIES

Salaries and Benefits	\$ 170,959,598	\$ 164,739,591	\$ 178,307,886
Services and Supplies	89,188,716	102,518,235	122,821,025
Other Charges	212,317,071	214,389,753	197,752,088
Fixed Assets	598,695	1,203,953	1,306,450
Other Financing Uses	13,306,277	15,899,321	668,918
Intrafund	-	-	1
Contingencies	-	-	900,000
<b>Total Expenditures</b>	<b>\$ 486,370,357</b>	<b>\$ 498,750,853</b>	<b>\$ 501,756,368</b>

### CHANGES TO FUND BALANCE

Beginning Fund Balance	\$ 189,170,068	\$ 191,492,928	\$ 191,769,329
Net Increase (Decrease) in Fund Balance	2,322,860	276,401	(23,370,618)
<b>Ending Fund Balance</b>	<b>\$ 191,492,928</b>	<b>\$ 191,769,329</b>	<b>\$ 168,398,711</b>

### CAPITAL PROJECTS

REVENUE CATEGORIES	2009-2010 Actuals	2010-2011 Actuals	2011-2012 Adopted Final Budget
Taxes	\$ 1,730,682	\$ 4,140,621	\$ 4,050,000
Licenses, Permits, Franchises	-	-	-
Fines, Forfeitures, Penalties	1,715,587	1,720,257	1,575,000
Revenue from Uses of Assets	154,776	244,405	500,000
Intergovernmental Revenue	71,226	(995)	45,000
Charges for Services	23,828	187,791	-
Miscellaneous Revenue	386,623	48,508	50,000
Other Financing Sources	1,668,812	1,933,887	2,088,906
<b>Budgeted Revenue</b>	<b>\$ 5,751,534</b>	<b>\$ 8,274,474</b>	<b>\$ 8,308,906</b>

### EXPENDITURE CATEGORIES

Salaries and Benefits	\$ 123,853	\$ 225,024	\$ -
Services and Supplies	12,501,269	2,667,787	14,496,800
Other Charges	1,890,544	1,996,151	1,753,861
Fixed Assets	-	-	-
Other Financing Uses	2,265,561	5,172,172	2,589,234
Intrafund	-	-	-
Contingencies	-	-	-
<b>Budgeted Expenditures</b>	<b>\$ 16,781,227</b>	<b>\$ 10,061,134</b>	<b>\$ 18,839,895</b>

### CHANGES TO RETAINED EARNINGS

Beginning Fund Balance	\$ 36,603,403	\$ 25,573,710	\$ 23,787,050
Net Increase (Decrease) in Fund Balance	(11,029,693)	(1,786,660)	(10,530,989)
<b>Ending Fund Balance</b>	<b>\$ 25,573,710</b>	<b>\$ 23,787,050</b>	<b>\$ 13,256,061</b>

# STANISLAUS COUNTY THREE YEAR BUDGET SUMMARY

## 2011-2012 ADOPTED FINAL BUDGET

### PROPRIETARY FUNDS

<u>ENTERPRISE FUNDS</u>				2011-2012 Adopted
REVENUE CATEGORIES	2009-2010 Actuals	2010-2011 Actuals	Final Budget	
Taxes	\$ 2,962,730	\$ 3,026,731	\$	3,490,580
Licenses, Permits, Franchises	-	-		-
Fines, Forfeitures, Penalties	-	-		-
Revenue from Uses of Assets	320,839	974,482		744,500
Intergovernmental Revenue	1,023,678	1,239,456		604,817
Charges for Services	54,013,805	49,497,999		44,673,729
Miscellaneous Revenue	3,092,502	2,236,247		1,544,574
Other Financing Sources	6,558,856	7,452,459		7,489,871
<b>Total Revenue</b>	<b>\$ 67,972,410</b>	<b>\$ 64,427,374</b>	<b>\$</b>	<b>58,548,071</b>
<b>EXPENDITURE CATEGORIES</b>				
Salaries and Benefits	\$ 22,053,604	\$ 19,274,655	\$	20,926,687
Services and Supplies	31,653,666	30,781,756		25,320,789
Other Charges	13,028,117	12,550,000		12,719,829
Fixed Assets	203,417	(190,285)		1,845,336
Other Financing Uses	902,484	3,211,201		450,000
Intrafund	-	-		-
Contingencies	-	-		-
<b>Total Expenditures</b>	<b>\$ 67,841,288</b>	<b>\$ 65,627,327</b>	<b>\$</b>	<b>61,262,641</b>
<b>CHANGES TO RETAINED EARNINGS</b>				
Beginning Balance	\$ 11,505,166	\$ 11,636,288	\$	10,436,335
Net Increase (Decrease ) in Retained Earnings	131,122	(1,199,953)		(2,714,570)
<b>Ending Balance</b>	<b>\$ 11,636,288</b>	<b>\$ 10,436,335</b>	<b>\$</b>	<b>7,721,765</b>
<b>INTERNAL SERVICE FUNDS</b>				
REVENUE CATEGORIES	2009-2010 Actuals	2010-2011 Actuals	2011-2012 Adopted Final Budget	
Taxes	\$ -	\$ -	\$	-
Licenses, Permits, Franchises	-	-		-
Fines, Forfeitures, Penalties	-	-		-
Revenue from Uses of Assets	298,173	289,542		349,072
Intergovernmental Revenue	20,938	3,449,975		186,451
Charges for Services	68,195,368	65,193,407		74,736,896
Miscellaneous Revenue	2,420,375	1,661,307		1,258,228
Other Financing Sources	100,244	60,881		30,000
<b>Total Revenue</b>	<b>\$ 71,035,098</b>	<b>\$ 70,655,112</b>	<b>\$</b>	<b>76,560,647</b>
<b>EXPENDITURE CATEGORIES</b>				
Salaries and Benefits	\$ 4,958,376	\$ 4,694,966	\$	7,390,206
Services and Supplies	70,778,671	62,770,680		69,629,977
Other Charges	3,007,600	2,909,405		3,657,421
Fixed Assets	(490,450)	(217,170)		660,500
Other Financing Uses	1,357,430	1,349,710		500,000
Intrafund	8,437	3,908		(2,599,680)
Contingencies	-	-		-
<b>Total Expenditures</b>	<b>\$ 79,620,064</b>	<b>\$ 71,511,499</b>	<b>\$</b>	<b>79,238,424</b>
<b>CHANGES TO RETAINED EARNINGS</b>				
Beginning Balance	\$ 27,843,284	\$ 19,258,318	\$	18,401,931
Net Increase (Decrease ) in Retained Earnings	(8,584,966)	(856,387)		(2,677,777)
<b>Ending Balance</b>	<b>\$ 19,258,318</b>	<b>\$ 18,401,931</b>	<b>\$</b>	<b>15,724,154</b>