

Appendices

Glossary of Budget and Planning Terms

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

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

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

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

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

Cash Flow: The analysis of cash receipts (revenues) to required payments (expenditures) and reporting of net cash balance projections. The Auditor and Controller prepares cash flow reports that project the inflow, outflow and net balance of cash on a monthly, quarterly and annual basis.

Community Development Block Grant (CDBG): A federal grant administered by the County for housing and development activities that: (1) benefit lower income persons; (2) prevent/eliminate slums and blight; or (3) meet urgent community development needs.

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

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

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

Expenditures: Actual spending of funds authorized by an appropriation.

Expense Transfers & Reimbursements: This expenditure account group, which is shown as a decrease in expenditures, consists of transfers of costs for services provided between budget units in the same governmental type fund. The cost of the service is transferred to the revenue earning department with an equal reduction in cost to the department providing the service.

Fee for Services: Fees charged for certain services provided to citizens and other public agencies. Examples of these fees include: planning and public works services such as sale of plans and specifications and blueprints, and plan or map check fees; library services including book fines and lost or damaged books; park facilities usage including camping, parking and picnic area usage; document recording services, certified copies of vital statistics; animal services such as vaccination and impound fees; law enforcement reimbursement for hospital care and services for prisoners, juvenile court wards and juvenile hall.

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

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

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

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

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

Fund Balance Types:

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

General Fund: The County's primary operating fund, which is used to account for all financial resources, except those required to be accounted for in another fund (Funds 110, 111, 114).

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

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

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

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

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

Gross Appropriation: The total spending authority of a budget unit. This is the total of all expenditures not including intrafund (or expense) transfers.

Interfund Transfers: The transfer of resources between funds of the same government reporting entity.

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

Intrafund Transfers: Optional transfers of costs between budget units in the same governmental type fund. This transfer distributes costs to various departments for budgeting and informal operating statement purposes.

Joint Powers Agreement (JPA): A contractual agreement between a city, county and/or special district in which services are agreed to be performed, or the County agrees to cooperate with or lend its powers to the other entity.

Key Initiative: The specific action steps that will be taken during a budget year to accomplish part of the program goals and help accomplish one of the department's goals or one of the Board of Supervisor's strategic goals.

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

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

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

Net Appropriation: A budget unit's gross appropriation less any transfers within the same budget unit for services rendered and received.

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

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

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

Performance Measures: Indicators of the amount of work accomplished, the efficiency with which tasks were completed, and/or the effectiveness of a program; often expressed as the extent to which objectives were accomplished. Performance measures focus primarily on outcome measures (planned results).

Public Value: Initiating and reshaping public sector enterprises in ways that increase the responsiveness to refined public preferences that lead to just and fair conditions in the society at large.

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

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

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

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

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

Special Fund: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Usually eligible expenses are very specific and known to a reasonable degree of accuracy, e.g., a health insurance premium increase set for a date certain.

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

Tactical Plan: A detailed statement of the short-term activities to be used to achieve the strategic goals.

Transfers-out: Nonrecurring transfers of equity from one fund to another fund.

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

ABBREVIATIONS

ARRA: American Recovery and Reinvestment Act of 2009

CAO: Chief Administrative Officer

CDBG: Community Development Block Grant

CSA: County Service Area

CSAC: California State Association of Counties

CSS: Department of Child Support Services

CWS: Child Welfare Services

FEMA: Federal Emergency Management Agency

FY: Fiscal Year

GAAP: Generally Accepted Accounting Principles

GASB: Governmental Accounting Standards Board

GFOA: Government Finance Officers Association

GIS: Geographic Information System

IHSS: In-Home Supportive Services

ISF: Internal Service Fund

IT: Information Technology

NACO: National Association of Counties

OES: Office of Emergency Services

OPEB: Other Post Employment Benefit

TABs: Tax Allocation Bonds

TOT: Transient Occupancy Tax

TRANS: Tax and Revenue Anticipation Notes

VLF: Vehicle License Fees

Recommended Budget Equipment List 2016-17

APPENDIX B

Item #	Dept	Fund-B/U	Account	Details	Revenue Source	Qty	Unit Cost	Total Cost
1	Assessor	0100-1081	503071	SUV	Gen Fund	1	\$25,000	\$25,000
2	Clerk-Recorder	1230-2851	503070	Vital Records Scanner	Dept	1	\$5,373	\$5,373
3	Community Services	0100-2971	503060	Hardware/Software	Gen Fund	1	\$10,000	\$10,000
4	Community Services	0130-4013	503071	Sedan (Replacement)	CUPA Fund	1	\$27,000	\$27,000
5	Community Services	0301-3011	503070	Back Hoe (Replacement)	Road Fund	1	\$210,000	\$210,000
6	Community Services	0301-3011	503070	Skip Loader (Replacement)	Road Fund	1	\$160,000	\$160,000
7	Community Services	0301-3011	503070	Lay-Mor Sweeper (Replacement)	Road Fund	1	\$65,000	\$65,000
8	Community Services	0301-3011	503070	Kera 250HD	Road Fund	1	\$65,000	\$65,000
9	Community Services	0301-3011	503070	Ford F-350 4X4 (Replacement)	Road Fund	2	\$75,000	\$150,000
10	Community Services	0301-3011	503070	Ford F-450 4X4 (Replacement)	Road Fund	1	\$85,000	\$85,000
11	Community Services	0301-3011	503070	Trash Truck (Replacement)	Road Fund	1	\$230,000	\$230,000
12	Community Services	0301-3011	503070	Ford F-150 4X2 (Replacement)	Road Fund	1	\$40,000	\$40,000
13	Community Services	0301-3011	503070	Ford Escape 4X4 (Replacement)	Road Fund	2	\$32,500	\$65,000
14	Community Services	0301-3011	503070	Barricade trailer	Road Fund	1	\$30,000	\$30,000
15	Community Services	5021-4401	503070	Tractor (Replacement)	Dept	1	\$30,000	\$30,000
16	Community Services	5021-4401	503070	Portable Emissions Analyzer	Dept	1	\$30,000	\$30,000
17	Community Services	5021-4401	503070	Air Compressor	Dept	1	\$15,000	\$15,000
18	Community Services	5021-4401	503070	Gas Analyzer	Dept	1	\$35,000	\$35,000
19	Community Services	5021-4401	503070	HDPE Pipe Welder	Dept	1	\$40,000	\$40,000
20	Community Services	5021-4401	503070	Hot Water Pressure Washer	Dept	1	\$10,000	\$10,000
21	Community Services	5021-4401	503070	Hydroseeding Equipment	Dept	1	\$90,000	\$90,000
22	District Attorney	1255-2051	503072	Computer	Dept	1	\$17,000	\$17,000
23	General Services	0100-1303	503070	Platform Lift for Jail	Gen Fund	1	\$11,500	\$11,500
24	General Services	4031-1851	503060	Telecom Work Order System	Dept	1	\$175,000	\$175,000
25	HHS	0120-5511	503070	Vehicles (IHSS)	Dept	2	\$25,000	\$50,000
26	HHS	0120-5510	503060	Contract mgmt software	Dept	1	\$80,000	\$80,000
27	Library	1601-6051	503060	Server (Replacement)	Dept	1	\$27,100	\$27,100
28	Probation	0202-2611	503070	Copiers (Capital Lease)	Dept	2	\$22,500	\$45,000
29	Probation	0202-2611	503071	Sedan	Dept	1	\$33,900	\$33,900
30	Probation	0202-2613	503070	Mobile Radios	Dept	2	\$5,300	\$10,600
31	Probation	0202-2613	503070	Copier (Capital Lease)	Dept	1	\$15,000	\$15,000
32	Probation	0202-2613	503070	Golf Cart	Dept	1	\$15,000	\$15,000
33	Probation	0202-2613	503071	Van (Replacement)	Dept	1	\$33,253	\$33,253
34	Probation	0202-2613	503071	Sedan	Dept	1	\$25,000	\$25,000
35	Probation	0202-5751	503071	Van	Dept	1	\$55,000	\$55,000
36	Sheriff - Animal Svcs	0100-2801	503070	Truck w/transport box (Replacement)	Dept	1	\$60,000	\$60,000
37	Sheriff - Animal Svcs	0100-2801	503071	Truck w/transport box (Replacement)	Dept	1	\$60,000	\$60,000
38	Sheriff - Patrol	0202-2507	503071	Patrol Vehicles (Replacement)	Dept	2	\$70,000	\$140,000
39	Sheriff	1280-2509	503070	LiveScan Equipment	Dept	1	\$60,000	\$60,000
40	Sheriff - Civil	1282-2402	503070	Watchguard Cameras (Replacement)	Dept	2	\$7,000	\$14,000
41	Sheriff	1282-2402	503071	Pursuit Vehicles (Replacement)	Dept	2	\$70,000	\$140,000

Funded Position Summary

APPENDIX C

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Agriculture			
	Administrative Assistant	1	1
	Administrative Clerk II	1	1
	Ag & Standards Inspector IV	7	7
	Ag & Standards Technician	2	2
	Ag Comm & Sealer of Weights	1	1
	Chief Deputy Ag Commissioner	1	1
	Code Enforcement Officer	0	1
	Deputy Ag Comm/Sealer	3	3
	Grants Administrator	0	1
	Office Support Specialist	1	1
		17	19
Assessor/Clerk-Recorder/Elections			
	Administrative Serv Analyst	1	1
	Appraiser III	7	7
	Assessment Office Spec. III	7	7
	Assessor/County Clerk-Recorder	1	1
	Auditor-Appraiser III	1	1
	Cadastral Drafting Technician	0	0
	Chief Deputy Clerk/Rec/Assr	2	2
	Clerk-Recorder Support Spec II	5	5
	Clerk-Recorder Technician II	5	5
	Clerk-Recorder-Assr Prog Mgr	2	2
	Departmental IT Manager	1	1
	Elections Aide	1	0
	Elections Technician	2	3
	Exec. Asst. to the Co Clerk/Rec/Assr	1	1
	Managing Deputy Clerk-Rec-Assr	3	3
	Principal Appraiser	1	1
	Senior Appraiser	3	3
	Senior Assessment Technician	2	2
	Senior Auditor-Appraiser	2	2
	Senior Elections Technician	1	1
	Supervising Elections Tech	1	1
	Vital Records Deputy Registrar	1	1
		50	50

Funded Position Summary

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Board of Supervisors			
	Asst. Supervisor's Deputy	5	5
	Board of Supervisors	5	5
	Supervisor's Deputy	5	5
		15	15
Child Support Services			
	Administrative Clerk II	2	2
	Administrative Serv An-InfoSys	1	1
	Business Services Manager	1	1
	Child Support Assistant	5	4
	Child Support Attorney V	3	3
	Child Support Officer II	23	22
	Child Support Program Manager	1	1
	Director of Child Support Serv	1	1
	Senior Child Support Officer	6	6
	Supervising Child Support Off	6	5
		49	46
Community Services			
	Accountant III	1	1
	Accounting Technician	0	1
	Administrative Serv Analyst	1	1
	Asst. Dir-Planning Services	1	0
	Asst. Dir-Pub Works	1	1
	Asst. Road Maintenance Worker	1	1
	Building Inspector III	2	2
	Business Services Supervisor	1	1
	Chief Building Official	1	1
	Chief Fiscal Admin. Officer	1	1
	Civil Engineer	5	5
	Community Serv Prog Mgr	0	1
	Construction Inspector	2	2
	County Service Area Manager	1	0
	Deputy Dir-Integrated Waste	1	1
	Director of Environmental Hlth	1	1
	Director of Planning & Pub Wrk	1	1
	Engineering Technician II	1	0
	Environmental Health Spec. III	8	8
	Environmental Health Tech II	3.6	4
	Fleet Services Operations Coor	1	1
	Fleet Services Superintendent	1	1

Funded Position Summary

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Community Services cont.			
	Hazardous Materials Spec. III	7	7
	Heavy Equipment Mechanic	1	1
	Landfill Construction Insp.	1	1
	Office Support Specialist	3	3
	Permit Counter Technician II	2	2
	Principal Civil Engineer	1	1
	Principal Planner	1	1
	Public Works Superintendent	1	1
	Road Maintenance Crewleader	2	2
	Road Supervisor	2	2
	Secretary to the Dir.-Nonsup	1	1
	Senior Accounting Technician	3	3
	Senior Admin Serv Analyst	1	1
	Senior Civil Engineer	8	8
	Senior Planner	2	2
	Senior Road Maintenance Worker	16	16
	Senior Solid Waste Attendant	7	7
	Senior Waste Fac. Worker	3	3
	Senior Water/Air Quality Spec	1	1
	Supervising Env. Health Spec.	2	2
	Supervising Haz Mat Spec.	1	1
	Supervising Solid Waste Attend	2	2
	Sustainability Manager	0	1
	Waste Red/Recycling Mgr	1	1
	Waste Reduction/Recycling Coor	1	1
	Waste Reduction/Recycling Spec	0	1
		105.6	107

County Administrator

	Accountant II	1	1
	Administrative Assistant	1	1
	Administrative Assistant - Conf	1	1
	Administrative Clerk II - Conf	1	1
	Asst. County Administrator	1	1
	Board Clerk III	2	2
	County Administrator	1	1
	Deputy County Administrator	0	1
	Deputy Dir - General Services	1	1
	Director of Human Resources	1	1
	Emergency Services Coordinator	1	1
	Emergency Services Planner	1	1

Funded Position Summary

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17

(salary range available at: www.yolocounty.org/salary-resolution)

County Administrator cont.

Executive Asst. - Co. Admin	1	1
Financial System Manager	1	1
Grants Administrator	1	1
Manager of Intergov Relations	1	0
Legislative & Govt Aff Spec II	0	1
Manager of Operations & Strategy	1	1
Mgr of Governmental Relations	0	0
Personnel Analyst	1	1
Personnel Assistant	2	2
Personnel Specialist II - Conf	2.5	2.5
Principal Management Analyst	3	2
Principal Personnel Analyst	2	2
Secretary to the Dir. -Conf	1	1
Senior Accounting Tech - Conf.	1	1.5
Senior Accounting Technician	1	1
Senior Management Analyst	4	3
Senior Personnel Analyst	2	2
Special Project Manager	1	0
	<hr/>	<hr/>
	37.5	36

County Counsel

Asst. County Counsel	1	1
County Counsel	1	1
Deputy County Counsel III	1	1
Legal Administrative Assistant	1	1
Secretary - County Counsel	1	1
Senior Deputy Co. Counsel	5	5
	<hr/>	<hr/>
	10	10

District Attorney

Administrative Clerk II	0	1
Administrative Serv Analyst	2	2
Asst. Chief DA Investigator	1	1
Asst. Chief Deputy Dist. Atty.	3	3
Business Services Manager	1	0
Business Services Supervisor	1	1
Chief DA Investigator	1	1
Chief Deputy Dist. Attorney	1	1
Chief Fiscal Admin. Officer	1	1
Children's Advocacy Center Dir	0	1

Funded Position Summary

APPENDIX C

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
District Attorney cont.	DA Confidential Secretary	1	1
	DA Enforcement Officer	8	8
	DA Investigator II	11	12
	DA Lieutenant	2	2
	DA Senior Enforcement Officer	1	1
	Departmental IT Manager	1	0
	Deputy District Attorney II	1	1
	Deputy District Attorney III	2	1
	Deputy District Attorney IV	28	27.5
	Deputy District Attorney V	5	5
	District Attorney	1	1
	Fiscal Administrative Officer	1	1
	IT Innovation Technician	0	1
	Legal Secretary II	20	18
	Office Support Specialist	1	1
	Paralegal	4	3
	Process Server	1	1
	Senior Accounting Technician	1	0.875
	Senior Deputy Probation Off.	1	1
	Senior Social Worker	1	1
	Social Worker	1	1
	Supervising Legal Secretary	2	2
	Technology Innovation Manager	0	1
Victim Services Program Asst.	3	3	
Victim Services Program Mgr	1	1	
	109	107.375	
Financial Services			
Accountant II	2	2	
Accountant III	3	3	
Accounting Manager	2	2	
Accounting Technician	1	1	
Administrative Services Analyst	0	1	
Administrative Clerk II	1	1	
Asst. Chief Financial Officer	1	1	
Audit Manager	1	1	
Auditor II	1	1	
Auditor III	1	1	
Buyer II	2	2	
Chief Budget Official	1	1	
Chief Financial Officer	1	1	

Funded Position Summary

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Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
	Financial Services Analyst	3	3
Financial Services cont.			
	Lead Buyer	1	1
	Manager of Purchasing Services	1	1
	Property Tax Supervisor	1	1
	Revenue Collections Spec. II	1	1
	Revenue Collections Spec. III	2	2
	Senior Accounting Technician	5	5
		31	32
General Services			
	Accountant	1	1
	Administrative Serv Analyst	1	1
	Associate Parks Planner	0	0
	Building Craftsmechanic III	9	9
	Database Administrator	1	1
	Departmental IS Coordinator	2	2
	Director of IT and Telecomm	1	1
	Facilities Superintendent	1	1
	Fiscal Administrative Officer	1	1
	General Services Assistant II	1	1
	GIS Specialist II	1	1
	Habitat Mitigation Manager	1	0
	Information Security Officer	1	1
	Information Technology Manager	3	3
	Internet Systems Specialist	1	1
	Lead Building Craftsmechanic	1	1
	Network Systems Specialist I	1	1
	Network Systems Specialist III	1	1
	Office Support Specialist	2	2
	Parks & Facilities Worker III	3	3
	Principal Parks Planner	1	1
	Programmer Analyst III	2	2
	Programmer Analyst IV	2	2
	Project Coordinator	1	1
	Project Manager	1	1
	Supervising Parks & Facilities	1	1
	Supervising Technical Supp Spc	1	1
	Supervising Telecom. Spec.	1	1

Funded Position Summary

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Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
General Services cont.			
	Systems Software Spec. III	2	2
	Technical Support Spec. III	6	5
	Telecommunications Technician	1	1
	Veterans Service Officer	1	2
	Veterans Service Rep II	1	1
		54	53
Health & Human Services			
	Accountant	1	1
	Accountant I	1	0
	Accountant II	3	3
	Accountant III	1	2
	Accountant-Auditor I	3	3
	Accounting Technician	5	6
	ADMH Specialist II - MH	7	7
	Administrative Assistant	4	4
	Administrative Clerk II	37	36
	Administrative Clerk IV	1	1
	Administrative Hearings Off	3	3
	Administrative Serv Analyst	19	18
	Administrative Serv An-Fiscal	2	2
	Administrative Serv An-Program	1	0
	Adult & Aging Clinical Mgr	1	1
	Adult Services Worker II	19	21
	Alcohol & Drug Specialist II	1	1
	Alcohol, Drug and MH Prog Coor	1	1
	Assistant Dir, Health & Human Serv	1	1
	Asst. Dir of Public Health Nursing	0	1
	Branch Director I, Health & Human Serv	1	0
	Branch Director II, Health & Human Serv	3	3
	Business Services Officer	1	1
	Chief Fiscal Administrative Officer	0	1
	Child Welfare Srvs Mgr	2	2
	Children Services Elig Spec II	3	3
	Client Navigator	2	0
	Clinician II	14	12
	Clinician II - Bilingual	1	1
	Comm. Health Asst. II	8	7
	Comm. Health Asst. II-Bil/Bic	2	2
	Communication Manager	1	1
	Departmental IS Coordinator	1	1

Funded Position Summary

APPENDIX C

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17

(salary range available at: www.yolocounty.org/salary-resolution)

Health & Human Services cont.

Deputy Dir, Health & Human Serv	1	1
Director of PH Nursing	1	0
Director, Health and Human Srv	1	1
Director, HHS Service Centers	1	1
Emergency Med Srvs Program Coord	1	1
Emergency Med Srvs Spec II	2	3
Emergency Med. Srvs. Admin	1	1
Emergency Plan/Train Coord	3	3
Emp & SS Division Manager	1	1
Employment & SS Program Sup.	31	27
Employment Services Spec III	49	49
Fiscal Administrative Officer	3	3
Health and Human Services Mgr I	5	5
Health and Human Services Mgr II	6	6
Health Department Program Mgr	2	2
Health Officer	0.5	0.5
Health Program Coordinator	2	2
Homeless Prog Coord	1	1
Lactation/Breastfeeding Coord.	1	1
Mental Health Specialist I	0	0
Mental Health Specialist II	8	8
Nurse Practitioner	0.625	0.625
Office Support Specialist	21	20
Outreach Specialist II	14	12.5
Personnel Specialist II	3	3
Physical Therapist	2	2
Physician	0.5	0.5
Psychiatrist-Board Certified	3.8	3.8
Psychiatrist-Med. Director	1	1
Public Assistance Sp III-IEVS	4	4
Public Assistance Spec. III	139	129
Public Health Epidemiologist	2	2
Public Health Nutritionist	2	2
Secretary to the Dir.-Nonsup	1	2
Secretary to the Dir.-Sup	1	1
Senior Accounting Technician	12	12
Senior Admin Serv Analyst	8	8
Senior Comm. Health Asst.	1	1
Senior Comm. Health Asst.-Bil	2	2
Senior Personnel Analyst	0	1
Senior Public Health Nurse	15	13

Funded Position Summary

APPENDIX C

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Health & Human Services cont.			
	Senior Staff Nurse	6	5
	Services Coordinator	0	0
	Social Worker Practitioner	54	54
	Social Worker Supervisor I	2	2
	Social Worker Supervisor II	12	10
	Storekeeper	3	3
	Supervising Clinician	6	6
	Supervising PH Nutritionist	1	1
	Supervising Pub Health Nurse	5	1
	Supervising Staff Nurse	1	1
	Support Services Supervisor	1	1
	Therapy Aide II	1	1
		595.425	567.925
Library			
	Administrative Serv An-Program	1	1
	Asst. County Librarian	1	1
	Business Services Manager	1	1
	County Librarian	1	1
	Electronic/Technical Librarian	1	0
	Librarian I	1	1
	Librarian II	8.7	8.7
	Library Assistant II	9.6	9.6
	Library Associate	5	5
	Library Branch Sup - MLS	4	4
	Library Central Services Manager	1	1
	Library Circulation Supervisor	1	1
	Library Regional Manager	2	2
	Library Regional Supervisor	2	2
	Office Support Specialist	1	2
	Outreach Specialist II	1	1
		41.3	41.3
Probation			
	Administrative Assistant	2	2
	Administrative Clerk II	2	2
	Administrative Clerk IV	1	1
	Administrative Serv Analyst	1	1
	Administrative Serv An-Program	1	1
	Asst. Chief Probation Officer	1	1
	Asst. Superintendent Juv Det Fac	1	1

Funded Position Summary

APPENDIX C

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Probation cont.			
	Business Services Supervisor	1	1
	Chief Fiscal Admin. Officer	1	1
	Chief Probation Officer	1	1
	Clinician II	0	3
	Deputy Chief Probation Officer	1	1
	Deputy Probation Officer II	35	35
	Detention Officer II - 1	28	29
	Juvenile Services Aide	4	4
	Legal Secretary II	0	2
	Office Support Specialist	2	1
	Probation Aide	2	2
	Secretary II	4	4
	Secretary to the Dir.-Nonsup	1	1
	Senior Accounting Technician	2	2
	Senior Deputy Probation Off.	7	7
	Senior Detention Officer - 1	4	4
	Senior Social Worker	0	1
	Social Services Assistant	0	1
	Social Worker Supervisor II	0	1
	Superintendent of Juv Det Fac	1	1
	Supervising Detention Off - 1	5	4
	Supervising Probation Officer	7	7
		115	122
Public Defender			
	Administrative Assistant	1	1
	Chief Deputy Public Defender	1	1
	Chief Public Defender Inv.	1	1
	Deputy Public Defender IV	18	18
	Deputy Public Defender V	3	3
	Legal Process Clerk III	1	0
	Legal Secretary II	3	4
	Paralegal	0	0
	Public Defender	1	1
	Public Defender Invest. II	3	3
	Public Defender Investigative Asst.	1	1
	Senior Social Worker	1	0
	Social Worker Practitioner	1	2
	Supervising Legal Secretary	1	1
		36	36

Funded Position Summary

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Public Guardian/Public Administrator			
	Asst. Public Guardian/Admin.	1	1
	Conservatorship Officer	3	2
	Guardian Technician	0	0
	Public Guardian/Administrator	1	1
	Senior Accounting Technician	1	1
		6	5
Sheriff-Coroner			
	Accountant II	2	2
	Administrative Serv Analyst	1	1
	Animal Care Attendant	2	2
	Animal Care Technician	3	3
	Animal Services Officer II	7	7
	Business Services Manager	1	1
	Captain	3	3
	Chief Deputy Coroner	1	1
	Correctional Lieutenant	3	3
	Correctional Officer II	86	86
	Correctional Sergeant	10	10
	Corrections Records Shift Sup	4	4
	Corrections Records Spec. II	18	18
	Crime Analyst	0	1
	Crime Scene Investigator	1	1
	Department Volunteer Coord.	1	1
	Deputy Coroner II	4	4
	Deputy Sheriff	76	75
	Deputy Sheriff I	2	2
	Detention Senior Cook	6	6
	Food Services Coordinator	1	1
	Legal Secretary II	3	3
	Lieutenant	3	3
	Property and Evidence Tech.	1	1
	Senior Crime Scene Invest.	1	1
	Senior Social Worker	1	1
	Sergeant	10	10
	Sheriff-Coroner	1	1
	Sheriff's Chief of Finance	1	1
	Sheriff's Conf. Secretary	1	1
	Sheriff's Human Resources Tech	1	1
	Sheriff's Operations Coordinator	1	1
	Sheriff's Plan/Research Mgr	1	1

Funded Position Summary

Department	Authorized Position	Full-Time Equivalent	
		Funded 2015-16	Funded 2016-17
(salary range available at: www.yolocounty.org/salary-resolution)			
Sheriff-Coroner cont.			
	Sheriff's Records Clerk II	4	4
	Sheriff's Records Manager	1	1
	Sheriff's Service Technician	2	2
	Sheriff's Support Specialist	1	1
	Sheriff's Training Manager	1	1
	Supervising Animal Services Of	1	1
	Supervising Legal Secretary	2	2
	Undersheriff-Coroner	1	1
		270	270
GRAND TOTAL		1,541.83	1,517.60



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
TYPE: Policy	DATE: 11/04/2014

A. LEGAL BASIS

The Yolo County Board of Supervisors has the authority and responsibility to adopt and oversee implementation of a budget approving the use of public funds for the operation of all County functions, as provided for in Sections 29000 et seq. of the Government Code of the State. The policies adopted by the Board of Supervisors shall not be contrary to those established under state statute. However, the Board may add to the information required, or show it in more detail, providing the financial information and the classification or items are clearly and completely set forth.

B. APPLICABILITY

The following policies apply to all County officials and employees in elected offices, county divisions, departments and special districts for whom the Board is required to adopt an annual budget.

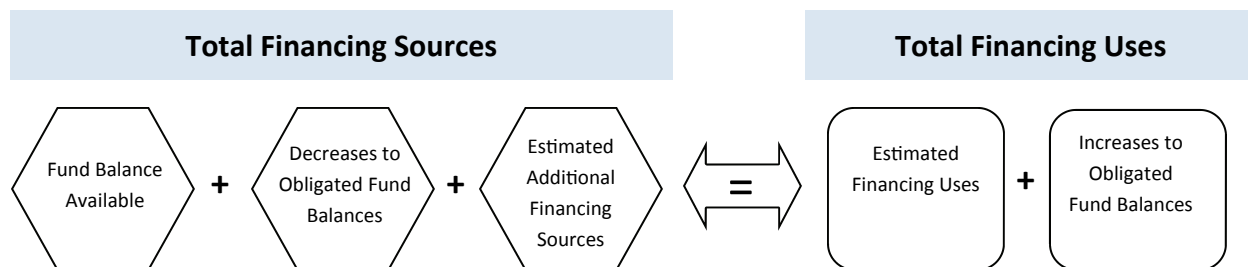
C. DEFINITIONS

The definitions for all financial policies can be found in the *Financial Policy Glossary and Definitions* section.

D. PURPOSE

1. To establish minimum requirements for preparation, management, content and timeframes of the County budget, and
2. To promote financial stability and long-term planning, and
3. To provide a context to guide decisions during the budget process and throughout the fiscal year.

E. STATE MANDATED BUDGET REQUIREMENTS



The following requirements are stipulated in detail in the County Budget Act (Government Code Section 29000 through 29144).

1. The recommended, adopted, and final budgets must be balanced. Expenditures cannot be greater than the total anticipated spendable resources.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
TYPE: Policy	DATE: 11/04/2014

E. **STATE MANDATED BUDGET REQUIREMENTS** (continued)

2. The adopted budget shall provide for the presentation of data and information to include, at a minimum, estimated or actual amounts of the following items by fund:
 - a. Fund balances of the nonspendable, restricted, committed, assigned and unassigned funds.
 - b. Additional financing sources shall be classified by source as prescribed by the Controller. For comparative purposes the amounts of financing sources shall be shown as follows:
 - 1) On an actual basis for the fiscal year two years prior to the budget year.
 - 2) On an actual basis, except for those sources that can only be estimated, for the fiscal year prior to the budget year.
 - 3) On an estimated basis for the budget year, as submitted by those persons responsible.
 - 4) On an estimated basis for the budget year, as approved, or as adopted, by the Board.
 - c. Financing uses for each budget unit, classified by the fund or funds from which financed, by the objects of expenditure, other financing uses, intrafund transfers, and transfers-out as prescribed by the Controller. For comparative purposes the amounts of financing uses shall be shown as follows:
 - 1) On an actual basis for the fiscal year two years prior to the budget year.
 - 2) On an actual basis, except for those sources that can only be estimated, for the fiscal year prior to the budget year.
 - 3) On an estimated basis for the budget year, as submitted by those persons responsible.
 - 4) On an estimated basis for the budget year, as approved, or as adopted, by the Board.
 - d. Appropriations for contingencies.
 - e. Provisions for nonspendable, restricted, committed, and assigned fund balances.
 - f. The appropriations limit and the total annual appropriations subject to limitations.
3. There shall be a schedule in or supporting the adopted budget document or separate ordinance or resolution, setting for each budget unit the following data for each position:
 - a. Salary rate or range, as applicable.
 - d. Total allocated positions approved by the Board.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
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E. STATE MANDATED BUDGET REQUIREMENTS (continued)

4. At a minimum, within the object of capital assets, the budget amounts for the following shall be reported, as specified:
 - a. Land shall be reported in total amounts, except when included as a component of a project.
 - b. Structures and improvements shall be reported separately for each project, except that minor improvement projects may be reported in totals.
 - c. Equipment shall be reported in total amounts by budget unit.
 - d. Infrastructure shall be reported in total amounts by budget unit.
 - e. Intangible assets may be reported in total amounts by budget units.

5. Amending the Adopted Budget

Departments may find it necessary to amend their budgets due to a change in estimates, change in economy, program changes, grant modifications, accounting changes, correction of budget errors, unanticipated revenue, etc. The budget adopted by the Board of Supervisors and submitted to the State may be amended during the fiscal year within the parameters listed below (per Government Code §29125 and §29130):

Type of budget amendment	Official/s authorized to approve amendment
Transfers not exceeding \$5,000 between any appropriation line within an object	Department staff with concurrence of County Administrator
Transfers between objects within the same budget unit	County Administrator with concurrence of the Chief Financial Officer
Intra-fund transfers of \$2,000 or less between departments	County Administrator
Transfers between budget units	Board of Supervisors
Increase of staffing levels including transfer of positions from one department to another	Board of Supervisors
Transfer from appropriations for contingencies to a budget unit	Board of Supervisors by four-fifths vote
Designations and reserves no longer required for the purpose for which intended (excluding general reserve, balance sheet reserves, and reserve for encumbrances).	Board of Supervisors by four-fifths vote
Unanticipated revenue, including amounts in excess of estimated revenues or not specifically included in the budget.	Board of Supervisors by four-fifths vote
Administrative corrections and revisions	Chief Financial Officer



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TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
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E. STATE MANDATED BUDGET REQUIREMENTS (continued)

6. Legal Duties of Specific Officials

County officials will fulfill the following legal duties within the time frame prescribed by law:

Official Responsible	Government Code Section	Deadline	Event
All County Officials	§29040	June 10	To provide an itemized request detailing estimates of required financing sources and uses for units administered.
CAO or Chief Financial Officer as designated by Board	§29040		To receive budget requests from officials
	§29042		To prescribe procedures for submitting requests
	§29045		To submit budget requests when official responsible has not done so
	§29060		To compile budget requests
	§29061 & §29062	June 30	To review budget requests, prepare the recommended budget and submit the recommended budget to the Board
	§29083		To revise the recommended budget to reflect changes made by the Board
Board of Supervisors	§29063	June 30	To make revisions, reductions and additions to budget requests
	§29064	June 30	To formally approve the recommended budget, as revised, as the legal authorization to spend until approval of the adopted budget
	§29065	September 8	To make the recommended budget available to the general public
	§29080	September 8	To publish notice that the budget is available and to announce public hearings
	§29080	September 18	To commence public hearings 10 days after published notice
	§29081	October 2	To conclude public hearings
	§29088	October 2	To approve the adopted budget by resolution for County and dependent special districts.
Chief Financial Officer	§29043		To provide estimates for bonded debt service requirements
	§29044		To provide financial statements data, or recommendations for any changes to the estimated financing sources to the responsible officials.
	§29083		To provide for the Chief Financial Officer or his/her deputy to attend the public hearing on the recommended budget and to furnish any financial statements and data required.
	§29093	December 1	To file a copy of the adopted budget in the office of the clerk of the board and the office of the State Controller.
	§29124		To approve certain payments pending adoption of the adopted budget.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
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F. BUDGET PRINCIPLES

The following will guide our budget and finance decisions:

1. Link budget to long-range plans - Each annual budget shall serve to connect successive budgets into a coherent strategy to realize long-term goals. The budget will be consistent with other long-term plans: strategic and tactical plan, long-term financial plan, land-use plan (General Plan), and capital improvement plan.
2. Regularly examine past spending patterns - Incremental budgeting should be used sparingly and each budget should include a critical review of past spending patterns.
3. Prioritize services - Budget decisions are based on prioritization of services and the priority will be linked to the tactical plan, organizational goals and department initiatives.
4. Assign costs specifically to users of services - An equitable matching of costs with beneficiaries should occur. User fees and charges must fully cover costs unless prohibited by law or by specific action of the Board of Supervisors.
5. Maintain existing services over providing new services - Budget decisions should support the long-term ability to maintain current services.
6. Fund liabilities -The annual budget should fund at least the current portion of long-term liabilities, capital investments, asset maintenance, pension, other post-employment benefits (OPEB) and compensated absences.
7. Prioritization of budget-balancing strategies - Predetermined strategies should be developed to utilize when deciding on budget cuts, namely:
 - a. Eliminate services with low contribution to long-term goals
 - b. Reduce expenditures by improving productivity
 - c. General Fund support
 - d. Cancel reserves for asset maintenance, etc.
 - e. Lay off part-time first then full-time employees
 - f. Emergency inter-fund loans
 - g. Use of general reserve
8. Resolve structural budget deficits - Through development of a long-range budget reduction plan, correct structural deficits where expenditures are growing more rapidly than revenues. Strategies could include the use of one-time revenues, inter-fund loans, or use of reserves.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
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F. BUDGET PRINCIPLES (continued)

9. New expenditures - Ongoing expenses are never funded by a non-recurring or one-time revenue source. Future and current funding sources are identified for all new programs and services.
10. Net County Cost - Departments shall, in developing their budgets, examine strategies which reduce their net county cost; the portion of the department general fund spending for which the County must cover the cost. Possible methods include increased State and Federal reimbursement, contracting for services, shared services agreements, grants, strengthened fee collection and reducing costs. Requests which include an increase in a department's net county cost must be associated with a high priority initiative.
11. Performance Measurement - All departments shall develop sophisticated performance measures that measure, community impact (effectiveness) and customer service (quality). Any new program requests shall include performance measures and anticipated outcomes.
12. Public Value - An appraisal of what is created by government on behalf of the public; the equivalent of shareholder value in public management. Adding public value means contributing both to what the public most values and also to what adds value to the public sphere.
13. Requesting new positions or filling vacant positions - Departments shall seek to use technology to meet increased workload demands before requesting new position or filling vacant positions. Where possible, departments shall increase the array of services offered online prior to filling or adding customer service positions. New position requests will be considered where there is no net county cost increase. All new position requests must demonstrate the long-term public value or fiscal benefit gained and must identify a long term funding source or be marked as limited term. The total number of permanent full-time/part-time employees on the payroll shall not exceed the total number of positions specified by department and authorized by the Board in the adopted budget.
14. Shared Services - Departments are encouraged to identify shared service opportunities with city, county, regional agency and nonprofit partners. Funding priority shall be given to shared service concepts consistent with the Board of Supervisors' adopted Shared Services Program.
15. Reserve - The budget shall fund reserves and contingencies consistent with the County Fund Balances and Reserves Policy.
16. Special Funds - The fund balance and appropriation of all special departmental funds that are available to a department will be detailed in a department's requested budget and clearly shown in the Recommended and Adopted budgets. These fund balances will be the first option considered to fund net county cost increase requests, one time expenditures and fixed assets.



County of Yolo

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G. BASIC BUDGET DEVELOPMENT PROCESS ELEMENTS

The following process reflects the County’s incremental approach to budgeting with initial steps toward performance-based budgeting. Budget formulation, adoption, and execution involve year-round interaction of many people, including department heads, department fiscal staff, the County Administrator, CAO budget staff and the Department of Financial Services. Each year the budget development process will include, at minimum, the following elements:

1. The development by the Board of Supervisors of strategic goals and a tactical plan that identifies the medium-term goals of the County.
2. Revenue and expenditure forecasts used to establish guidelines for the basis of policy decisions developed to achieve the overall goals of the Board. Trends, patterns, indexes, property valuation, growth, etc. will be compiled, analyzed, and applied in the preparation of detailed projections.
3. An annual meeting with the County Administrator and his/her staff, department heads, and the Board to set goals and priorities for the coming fiscal year.
4. Stakeholder input obtained through community forums and surveys, or review by advisory group.
5. Requests for service level increases and new programs will require detailed justification, the identification of a viable revenue source and an analysis of long-term fiscal impacts, and will be funded only to meet demonstrated need or to establish better alignment with Board goals and tactical plan.
6. An examination of what resources are needed for adequate maintenance of capital facilities, equipment and for the required replacement of equipment as established by capital asset maintenance and replacement standards.
7. The development and distribution of budget instructions and forms detailing the required design and timeline of budget submission and presentation.
8. A countywide meeting to kick off the annual budget preparation. This meeting will serve as a forum to answer questions on budget procedures and to inform department heads of budget policies and priorities for the coming budget year.
9. Performance measures for every funded program that reflect the goals and objectives of the program in a manner that allows stakeholders and decision-makers to see progress and results.
10. Submission of budget requests by departments heads.
11. CAO review and analysis of all operating budgets, capital improvement projects, and revenue projections for accuracy, content, and compliance with the previously determined priorities and policies.



County of Yolo

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TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
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G. BASIC BUDGET DEVELOPMENT PROCESS ELEMENTS (continued)

12. A meeting between the CAO and each department to discuss department budget submissions in detail and make adjustments if needed.
13. The publication of a recommended budget book that contain department-by-department specifics regarding their goals, annual initiatives, performance measures, funding sources and major object expenditures.
14. A recommended balanced budget submitted to the Board by June 30 of each year.
15. A final recommended balanced budget submitted to the Board by September 8 along with the publication of notice of a public hearing to be held to consider the final budget and Capital Improvement Program.
16. Following year-end closing and updated revenue and expenditure estimates, and no later than October 2, the Board adopts the final budget and Capital Improvement Program.

H. POLICIES FOR SPECIAL ITEMS

1. Vacancy savings - Departments with high turnover rates may budget for salary savings at a rate that represents the previous five-year average.
2. General Fund savings - In fiscal years where contributions to reserves and contingencies have been met in accordance with policy and the fund balance carryforward projection has been met, Departments may retain general fund savings from the immediately previous fiscal year. Those departments with savings may utilize an amount of the balance determined by the County Administrator’s Office for non-recurring, specific purpose, discretionary uses upon approval of the Board during adopted budget hearings. Funds may be set aside for multiple years if needed to fund the proposed purpose.
3. Internal Service Fund - Internal service funds (ISF) account for the financing of goods and services provided by one department or agency to other departments or agencies of the county on a cost reimbursement basis. Any ISF created will be self-supporting and designed to provide services more conveniently or at a lower cost. Fees should measure the full cost of the goods or services.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
TYPE: Policy	DATE: 11/04/2014

I. RESERVE MAINTENANCE

Reserves will be reviewed annually as part of the budget process to ensure adequacy of funding. The County uses different types of reserve mechanisms to maintain long-term financial stability. This includes:

1. Specific reserves for known future liabilities or expenditures association with known events which can be estimated within a reasonable degree of certainty.
2. General reserve to protect the County’s essential services from the potentially devastating impact of unanticipated events and circumstances.
3. Cash reserve serves as a cash cushion to mitigate the effect of uneven cash flows during the year.

See *Fund Balances and Reserves Policy* for additional information.

J. FUND BALANCE

Fund balance represents working capital that can either be used as a liquidity reserve or for spending in future years. The following policies will guide decisions regarding fund balances:

1. Fund balances anticipated at the end of a fiscal year and which expect to be used in the subsequent year will be budgeted as the beginning fund balance for that fund for the upcoming fiscal year.
2. The committed but “unencumbered” balance of agreed to multi-year and revolving projects and/or contracts anticipated not to be completed by September 30 must be rebudgeted in the subsequent fiscal year.
3. Cash balances remaining in any fund at year-end and not appropriated for in the adopted budget will stay in that fund for subsequent years.
4. Upon completion of the fiscal year-end audit, any increase and/or decrease to fund balance will cause adjustments to revenue and/or reserve accounts. Additional funds should not be used to increase expenditures within the budget.

See *Fund Balances and Reserves Policy* for additional information.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: Budget and Financial Management	DEPARTMENT: County Administrative Office
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K. **CONTINGENCY APPROPRIATIONS**

Contingency appropriations provide the first line of defense against uncertainty and are budgeted in specific funds to cover minor unanticipated needs of a non-recurring nature that may arise throughout the year or provide for small increases in service delivery costs that were not anticipated during budget development. During the annual budget process the County Administrator recommends a specific level of appropriation for contingency in specific funds. Those funds are general fund, public safety, and health and human services where the county is subject to the most revenue and expenditure vulnerability. Other funds may be added at the recommendation of the County Administrator and approval of the Board of Supervisors during budget adoption. See *Fund Balances and Reserves Policy* for additional information.

L. **FINANCIAL PLANNING**

The County Administrator and Chief Financial Officer will annually present an update to the Long-Term Financial Plan (LTFP) to the Board of Supervisors and Finance Committee including a long-range (five to ten years) financial forecast. This forecast will provide a long-term overview of revenue, operating expense, and capital activity. The LTFP will provide the fiscal link to the County's Strategic and Tactical Plan and will:

1. Ensure priorities aimed at achieving Board goals are funded
2. Ensure the County attains financial sustainability
3. Ensure the County has sufficient long term information to guide financial decisions
4. Ensure the has sufficient resources to provide the core programs and services the community expects
5. Ensure potential risks to on-going operations are identified in the long term financial planning process and communicated on a regular basis

M. **BUDGET CONTROL & ACCOUNTABILITY**

In order to maintain the financial stability of the County it is necessary for Officials and Department Heads to review and control expenditures such that the rate of expenditure does not exceed the approved budget. Each staff recommendation on the Board agenda will include disclosure of the both the short-term and long-term fiscal impact of the recommended action. All amendments to the Adopted budget will be consistent with the requirements of California Government Code §29125 and §29130 as detailed in Section F-5 of these policies.



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M. BUDGET CONTROL & ACCOUNTABILITY (continued)

Departments are expected to produce and review revenue and expenditure budget reports on a monthly basis. Department of Financial Services staff will monitor monthly reports for budget overdrafts. The County Administrator will submit to the Board on a quarterly basis, an overview report of budget to actual, both revenue and expense for all Funds and/or Departments. Any significant changes will be described in detail with any necessary recommended corrective action. Should the Chief Financial Officer realize a financial problem exists or trends warrant closer analysis, the he/she is required to inform the Board and County Administrator as soon as the situation is detected. If a deficit seems forthcoming, the Board will reduce appropriations or increase revenues.

The County Administrator and Chief Financial Officer are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the County Administrator.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: POLICY ON BORROWING, DEBTS AND OBLIGATIONS	DEPARTMENT: AUDITOR-CONTROLLER & TREASURER-TAX COLLECTOR
TYPE: POLICY	DATE: MARCH 12, 2013

A. PURPOSE

This policy provides guidance on borrowing, financing and debt management activities that demonstrate fiscal responsibility and promote fiscal sustainability, in accordance with the County's long-term financial plan.

B. APPLICABILITY

This policy applies to any transaction or event that either obligates a county fund now or in the future, or affects the County's borrowing capacity. This policy applies largely to the financing of capital asset acquisition as described in the County's capital improvement plan and in the *Policy on Capital Assets*. It also applies to decisions concerning employee compensation. This policy is consistent with the best practices recommended by the Government Finance Officers Association (GFOA). The policy does not apply to short-term borrowing (under six months) which occurs during the fiscal year as part of the routine cash flow management in the county treasury.

C. DEFINITIONS

For the purpose of this policy, the following definitions apply:

“Borrowing” refers to any mutual transfer of resources between two parties (legal or accounting entities) with intent to return at least the principal. It is usually accomplished through a written agreement between the parties that states the amount borrowed and the terms and date of repayment.

“Debt” refers to a formal borrowing between two legal entities and involves interest costs. A debt is normally recognized as a liability on the County's ledger. Debt often refers to bonded indebtedness and long-term loans. For the sake of brevity, the term “debt” is used throughout this policy to refer to a borrowing, a debt issue or an obligation.

“Obligation” refers to any amount, known or undetermined, that the County owe to an external party now or in the future, as a result of an action undertaken by the County, a triggering event or a law. Obligations may be recognized or not yet recognized as liability on the County's ledger, and may be funded or not funded. Examples include compensated absences, pension benefit obligation, other post -employment benefits (OPEB) obligation, landfill and pollution remediation, and claims and judgments.

“Inter-generational equity” is an essential concept in fiscal responsibility and refers to the notion of each generation being able to fund its needs without borrowing from, or transferring its debt burden to, the future generations.

County of Yolo

Administrative Policies and Procedures Manual

TITLE: POLICY ON BORROWING, DEBTS AND OBLIGATIONS	DEPARTMENT: AUDITOR-CONTROLLER & TREASURER-TAX COLLECTOR
TYPE: POLICY	DATE: MARCH 12, 2013

D. POLICY

1. FISCAL SUSTAINABILITY

The County shall remain fiscally sustainable; this is a fundamental principle for all County borrowing, debt issuance or commitment to any financial obligation.

For this purpose, *Fiscal Sustainability* is defined as the County government's ability and willingness to generate inflows of resources necessary to honor service commitments and to meet financial obligations as they come due, without transferring financial obligations to future periods unless they result in commensurate benefits.

To support this fundamental principle, the following seven governing principles must guide all debt, borrowing and obligation transactions:

The seven governing principles of borrowing, debt and obligations:

- 1) A healthy debt capacity shall be built and preserved.
- 2) No borrowing shall be made to fund on-going operations.
- 3) All borrowing shall follow a long-term financial plan.
- 4) The term of a debt shall never exceed the asset's life.
- 5) No inter-generational transfer of obligation shall be created.
- 6) Borrowing shall never be done for speculative purposes.
- 7) No obligation shall be incurred unless there is a realistic plan to pay it off.

2. DEBT APPROVAL

- a) ***Debt Committee.*** A Debt Committee shall be convened to review and approve borrowing, debt or obligation that potentially have a material effect on the County's fiscal sustainability; this includes any proposed transaction that meet any one of the criteria below:
 - (i) The amount of the debt or obligation exceeds \$500,000.
 - (ii) The annual debt service or obligation payment exceeds \$150,000.
 - (iii) The borrowing, debt or obligation may result in a significant change to the County's financial health in the long-term.
 - (iv) The transaction involves an agreement with another governmental agency.
 - (v) The Auditor-Controller & Treasurer-Tax Collector determines that an issue merits review by the Debt Committee.
 - (vi) The refinancing of an existing debt.
- b) ***Composition of Debt Committee.*** The Debt Committee is comprised of the following:
 - (i) One member of the Board of Supervisors;
 - (ii) County Administrator or designee;
 - (iii) Auditor-Controller & Treasurer-Tax Collector;

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- (iv) County Counsel;
- (v) Director of General Services, Director of Public Works, or Director of Human Resources as appropriate for the project.

The Debt Committee may rely on advisors from the department proposing the debt or obligation, independent bond counsel, independent financial advisors, underwriters, disclosure counsel or other experts as appropriate.

- c) **Review and Approval of Debts.** Any debt proposal submitted to the Debt Committee must include an analysis that addresses all the relevant factors described in this policy. The Debt Committee and staff shall review this analysis and make a recommendation to the Board of Supervisors, who shall make the final decision, except as provided below.
- d) **Delegation of Authority.** The Board of Supervisors authorizes the Auditor-Controller & Treasurer-Tax Collector and the County Administrator, acting jointly, to approve borrowings, debts and obligations that are below the thresholds for the Debt Committee as mentioned in Section 2 above, except in circumstances that require Board approval, such as when another governmental agency is involved. The Debt Committee shall ascertain the marginal impact of the new proposed debt on fiscal sustainability and refer the matter to the Board of Supervisors if this marginal impact borders on or exceeds the acceptable limits. In most cases, the Board of Supervisors would need to ratify any agreements made between the County and another party.
- e) **Lease-purchase of Equipment.** For equipment that have been approved as part of the County Capital Improvement Plan and for which funds have been budgeted, County departments may enter into lease purchase arrangements for a term not to exceed 10 years, provided the manufacturer's suggested life of the asset equals or exceeds the lease term.

3. CONDITIONS FOR DEBT-ISSUANCE

Incurring debt may be an appropriate means to fund a project or activity under certain circumstances. A department head proposing a debt should evaluate the following conditions:

- a) **Debt is Part of a Long-term Plan:** The proposed debt should be part of the Capital Improvement Plan or other long-term planning effort approved by the Board of Supervisors. In rare cases, a debt may merit stand-alone consideration due to unique circumstances that must be explained to the Debt Committee.
- b) **One-time versus On-going Needs.** Debt is more appropriate for a one-time investment (e.g. construction of a facility, acquisition of an asset) than a project addressing an on-going need (e.g. maintenance of a facility or an asset, operation of a program). Debt may be appropriate for a project that expands the capacity or the useful life of an asset but should not be used to fund its operational cost.

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- c) **Matching Benefits with Costs.** When a capital asset is expected to generate long-term benefits, debt can help distribute the payments for the asset over its useful life so that benefits more closely match costs and create intergenerational equity.
 - d) **Sources of Repayments.** Debt should be used only when long-term forecasts of financial resources indicate that the County will be able to meet its debt obligations without undue distress. Source of repayments, either general or earmarked, must be identified for future debt service.
 - e) **Favorable Market Conditions.** Consider using debts only when credit market conditions are favorable (refer to the Bond Buyer 20-bond Index).
 - f) **Impact on Fiscal Sustainability.** Debt should be proposed only when the additional debt does not cause the County to exceed any of the critical thresholds for financial ratios stipulated in Section 4 below.
 - g) **Prohibition Against Funding On-going Operations.** Long-term debt shall not be used to fund on-going operations since this would shift the burden for funding current services to future taxpayers. In special circumstances, the Board of Supervisors may approve a borrowing or debt to eliminate an operating deficit as part of a corrective action plan to address structural budget deficit.
4. CONSTRAINTS ON DEBTS

This section applies specifically to bonded debts, long-term loans and leases. The debt burden should be managed so that it does not increase the net outflow of economic resources in the long-run and substantially impact fiscal sustainability. This potential impact on fiscal sustainability should be monitored annually and managed by imposing certain constraints on the debt burden, as measured by the following ratios. The County should not engage in any debt financing that would cause any of the ratios to fall in the unacceptable range, in any year during the life of the proposed obligation.

All numeric values for computing the ratios below are obtained or derived from the County's comprehensive annual financial reports.

- a) **Debt service as percentage of governmental fund expenditures:** This is the ratio of governmental fund-supported debt service to the total governmental fund expenditures. This is a measure of the debt's budgetary impact on the county. Generally, lower ratio means less impact. This ratio should be maintained in the range below 8.0% (Low range of Standard & Poor's benchmark).
- b) **Ratio of debt to assessed value:** This ratio of total outstanding debt to total assessed values gives an indication as to the strength of the tax base in supporting the debt of the government. Generally, lower ratio means a stronger base. This ratio should be maintained below 3.0% (Low range of Standard & Poor's benchmark).

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- c) **Debt per capita.** The amount of debt per capita measures the residents' average share of the total outstanding debt. Generally, lower amount means lower debt burden per resident. This amount should be maintained below \$1,000 (Very low range of Standard & Poor's benchmark).
- d) **Overlapping debt ratios.** With respect to total direct and overlapping debts (debts related to the activities of overlapping jurisdictions such as cities or districts), Debt to Assessed Value should not exceed 6% (Moderate range of Standard and Poor's benchmark).
- e) **Coverage ratio.** In the case of revenue debt, in which the debt is repaid through a dedicated revenue stream, the debt service coverage ratio should be greater than 1.25 (Good range of Standard & Poor's benchmark). This measure shows the extent to which revenues are available to cover annual debt service (principal & interest) after operating costs are paid.

The debt amount to be used for the above calculations is the net direct debt. Direct debt is the total of the County's long-term obligations supported by general revenues and taxes, such as bonds and leases. Net direct debt is the County's total debt less any accumulated resources earmarked for paying off such debts.

5. CONSTRAINTS ON NON-DEBT OBLIGATIONS

This section applies to all obligations which are not covered in Section 4 above. Such obligations may arise from actions or decisions pertaining to:

- Employee compensation
- Retiree benefits
- Capital projects financing
- Revenue sharing arrangements
- Economic development incentives
- Landfill and pollution remediation
- Settlement of claims and judgments

Before committing the County to any long-term future obligations, or before taking any action that may create or modify such obligations, County staff shall assess the long-term financial impact of such action through trend analysis and financial projections. This assessment should include the determination of both the obligation and the funding sources to repay the obligations. The assessment and supporting information shall be presented to the Debt Committee for review and further determination on its effect on the County's fiscal sustainability. For the purpose of this assessment the criteria for the Debt Committee review in Section 2 apply.

Two indicators that must be monitored carefully are ratios of unfunded liabilities to total covered payroll. This information is obtained from actuarial reports. These ratios indicate the relative size of the liability in terms of the active payroll. A trend analysis of these ratios indicates the sustainability of the liabilities. The ratios must trend down toward zero in the long-term:

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- a) *Ratio of pension unfunded liabilities to payroll*
- b) *Ratio of OPEB (other post-employment benefits) unfunded liability to payroll*

6. DEBT STRUCTURING

Debt should be structured to provide control on the risk of debt usage:

- a) ***Length of Issue.*** The weighted average life of a debt shall not exceed the weighted average useful life of the asset/project that is being financed and must never exceed 30 years.
- b) ***Matching of Payment with Benefit.*** The proposed debt payment schedule must match the generation of net benefits to County residents. For example, the debt service schedule should generally correspond with the amortization or depreciation schedule of the purchased asset. In the long-term, an obligation must not be passed on to the next generation without the commensurate benefit.
- c) ***Debt Service Schedule.*** Debt service schedule should be structured to match the estimated pattern of revenues or sources of funds to be used for repayment. Absent any discernible pattern, general obligation bonds should be amortized on a level principal basis, to the extent practical.
- d) ***Use of Credit Enhancement.*** Credit enhancements (letter of credit, bond insurance, surety bond) may be used if the cost of the enhancement is more than offset by the net decrease in net borrowing costs, or when the enhancement provides significant benefits.
- e) ***Capitalization of Interest.*** Bond proceeds may be used to pay the interest due for a period commencing on the issue date and ending on the date that is the later of three years from the issue date or one year after the date of completion.

7. DEBT ISSUANCE

- a) ***Competitive Sale.*** The County shall seek to issue its debt obligations in a competitive sale. When the County deems the bids received are unsatisfactory or does not receive bids, it may, at the election of the Debt Committee, enter into negotiation for sale of the securities.
- b) ***Negotiated Sale.*** The Board of Supervisors may authorize bond issuance through a negotiated sale without going through competitive bidding if the Debt Committee has determined that any one of these conditions exist: market conditions are volatile, the issue is under a compressed timeline, or the debt has unique credit factors that would be better marketed through a negotiated sale.
- c) ***Private Placement.*** Under certain conditions (e.g. interim financings or small issuance) the Board of Supervisors may authorize a private placement or limited public offering.
- d) ***Financing Team.*** In addition to the Debt Committee and County finance staff, the service of other professional providers (financial advisor; bond counsel; underwriter; paying agent)

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should be obtained through a competitive selection process or other means in accordance with County purchasing policies.

- e) **Credit Rating.** If a credit rating is recommended by the financing team, staff should endeavor to obtain the highest rating.

8. DEBT MANAGEMENT

- a) **Investment of Bond Proceeds.** Bond proceeds shall be invested in accordance with bond covenants and should be accounted for separately from other funds. Any difference with the County Investment Policy, such as maturity requirement, must be approved by the Board of Supervisors.
- b) **Arbitrage.** In regard to tax-exempt bond proceeds, county staff shall take steps to monitor and minimize arbitrage liability and avoid IRS penalties.
- c) **Compliance & Disclosure.** County staff shall maintain a system to ensure compliance with all bond covenants, disclosure and filing requirements contained in the bond indentures, ordinances or state and federal laws.

9. REFINANCING OF DEBT

County staff should monitor the debt portfolio for opportunities to refinance debts in response to changing economic or market conditions.

- a) **Interest Saving.** The county may issue refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent and net present value savings expressed as a percentage of the par amount of the refunded bonds, equals or exceeds 3% (5% for advance refundings). Staff analysis should be evaluated by the Debt Committee for recommendation to the Board.
- b) **Restructuring of Debt.** County staff may find a restructuring of debt service or debt covenant necessary to adjust to changing revenue trends or other economic and legislative trends. Staff analysis should be evaluated by the Debt Committee for recommendation to the Board.

10. SHORT-TERM DEBTS

- a) **Lines and Letters of Credit.** The Auditor-Controller and Treasurer-Tax Collector may from time to time judge it prudent and advantageous for the County to enter into agreements with commercial banks or other financial institutions for lines or letters of credit that shall provide the County with access to credit under the terms and conditions of those agreements. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be subject to the advance approval of the Board of Supervisors.
- b) **Tax and Revenue Anticipation Notes (TRAN).** The Auditor-Controller may ascertain the need to fund internal working capital cash-flow with TRAN. Before issuing such notes, cash-

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flow projections shall be prepared by Auditor-Controller staff. Board of Supervisors' approval is required.

11. INTERFUND BORROWING

It may be appropriate for certain funds to borrow from other funds for either cash flow purposes or other short-term financing needs. Examples are:

- Advance contributions to restricted reserves for future debt services when dedicated revenue streams are not yet available.
- Interim cash flows for a capital project while waiting for long-term financing solution.
- Temporary (less than six months) funding of operating deficit while long-term solution is finalized.
- Interim funding for program while awaiting state or federal funds.
- In the normal course of managing cash resources within the County treasury, the Treasurer-Tax Collector may allow certain funds to incur temporary overdrafts.

The following requirements must be met in all cases:

1. The Auditor-Controller has determined that inter-fund borrowing is in the best interest of the County after examining all possible alternatives and analyzing impact on cash balances.
2. The Auditor-Controller has determined that the borrowing does not adversely impact the long-term financial condition of the lending fund.
3. The legality of the transaction is established by County Counsel.
4. The term cannot exceed 5 years, and the sources for repayment and debt service schedule are clearly identified.
5. If the original lending fund is the General Fund the term cannot exceed 3 years and the County's general reserve must be maintained at the level prescribed by County policy.
6. The transaction is memorialized in a formal communication between the parties involved.
7. The loan is recorded in the County general ledger.

12. CONVERSION OF OBLIGATION TO DEBT – PENSION AND OPEB

The County should carefully evaluate the benefits and risk before deciding to convert a future obligation into a hard debt, such as issuing bonds to fund pension obligation (POB) or to fund other post-employment benefits (OPEB):

Potential benefits of issuing bonds:

- Net long-term saving as represented by the net present value of cash savings resulting from lower debt service on the bond compared to CalPERS (PERS) amortization of the unfunded actuarial accrued liability (UAAL).
- Ability to structure the payment of obligation to match with county cash flows.

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- Pre-determined debt service schedule facilitates budgeting and financial planning.
- Existence of a disciplined method to pay down the obligation.

Potential risks of issuing bonds:

- Conversion of an accrued liability (projected benefit payments to employees based on past service) of which only a small portion must be paid in the near-term into a likely larger liability that must be paid to bondholders.
- Diminished flexibility in cash flows caused by requirement of a fixed debt service schedule.
- Reduction of county debt capacity due to debt issuance.
- Risk that actual PERS investment returns are lower than the interest rate on the bonds resulting in negative net cash savings.
- Risk that future PERS returns are higher than their assumed actuarial rate, resulting in surplus, causing bond indebtedness to be relatively more expensive.
- A new UAAL may be created from future benefit enhancements

13. REDUCTION OF FINANCIAL OBLIGATION

Once a material financial obligation has been recognized by application of generally accepted accounting principles (GAAP), and irrespective of the necessity to record this obligation in the County's accounts, County staff shall analyze its impact on the County's fiscal sustainability and recommend to the Board of Supervisors a course of action to mitigate this impact. Examples of such financial obligations are the unfunded liabilities related to the County's pension plan and to the retirees' health benefit program; and any liability related to pollution remediation.

14. OTHER DEBTS

- a) *Assessment and Improvement District.*** All of the County's improvement assessment indebtedness under the control of the Board of Supervisors shall be self-supporting so as to minimize County liability exposure. The property tax burden as a percentage of sales price or assessed value as appropriate generally should not exceed 2% (Standard recommended by California Debt & Investment Advisory Commission). The debt service shall be made on a level basis. Prior to issuance by the County, the Auditor-Controller's office shall prepare projected cash flows which incorporate schedules for assessment contract payments, prepayments, delinquencies, and non-payments. All improvement district and assessment financing shall be subject to advance approval by the Board of Supervisors.
- b) *Special Assessment Districts/Mello-Roos.*** The County may establish special assessment or Mello-Roos Community Facilities Districts under various sections of State law to issue bonds for the financing of infrastructure and public facilities improvements in connection with land development. The issuance of these bonds is subject to a two-thirds approval of the landowners voting within the proposed district. The security for the bonds is provided by

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properties within the district. The properties are assessed for amounts proportionate to the benefit received from the improvements financed for the payment of annual principal and interest on the bonds. Such amount generally should not exceed 2% of sales price or assessed value as appropriate (Standard recommended by California Debt & Investment Advisory Commission). The County is not liable for the repayment of these bonds, but rather acts as an agent for the property owners/bondholders in collecting and forwarding the special assessments.

- c) **Conduit Financing.** The County may sponsor conduit financing for those activities that have a general public purpose and are consistent with the County's strategic goals. All conduit financing must insulate the County to the maximum extent possible from any credit risk or exposure, and from all other liability exposure, and must first be evaluated by the Debt Committee, prior to submission to the Board of Supervisors.

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County of Yolo

Administrative Policies and Procedures Manual

TITLE: COST ACCOUNTING	DEPARTMENT: AUDITOR-CONTROLLER
TYPE: POLICY	DATE: JUNE 7, 2011

A. PURPOSE

This policy sets forth the policy and principles for determining costs for various purposes in Yolo County in support of the strategic goal of a financially sustainable county government.

B. APPLICABILITY

This policy provides guidance on the calculation of costs of county programs and activities. It amplifies the objective of cost recovery contained in the policy titled *Financial Standards* and supplements the *Policy on Cost Recovery and Fees*. This policy recognizes that costs are defined and calculated differently for different purposes. The relevant purposes in Yolo County are managerial decision making, rate setting, claiming for reimbursement and financial reporting.

C. POLICY

1. COST DETERMINATION

- a. Cost data should be supported by, and reconciled to, the County's general ledger.
- b. The total cost of an activity or program is composed of direct costs and an allocable portion of indirect costs; this is also referred to as full cost.
- c. Indirect costs are made up of administrative costs within the work unit as well as an allocated share of countywide overhead.
- d. For a county program that is federally funded, allowable costs for claim purposes are determined by reference to cost principles stipulated in *Cost Principles for State, Local, and Indian Tribe Governments*, a.k.a. *OMB Circular A-87* (2 CFR Part 225).

As a summary, to be allowable, costs must meet the following general criteria:

- 1) Be necessary and reasonable
- 2) Be allocable to the program in accordance with relative benefits received
- 3) Be authorized and not prohibited by laws or regulations
- 4) Conform to any limitations or exclusions stipulated in laws, regulations or terms and conditions.
- 5) Be consistent with county policies and procedures
- 6) Be accorded consistent treatment
- 7) Be determined in accordance with generally accepted accounting principles

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TITLE: POLICY ON COST ACCOUNTING	DEPARTMENT: AUDITOR-CONTROLLER
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- 8) Not be included in a cost used to meet matching requirement elsewhere
- 9) Be net of all applicable credits
- 10) Be adequately documented

2. COST ALLOCATION

- a. A cost is allocable to a particular cost objective if the goods and services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. Rate of use may be used as an approximation of benefits received. In rare exceptions, ability to bear, or straight-line time pro-ration may be appropriate bases for allocating costs.
- b. Indirect costs that originate from within a department are charged to a program by using an indirect cost rate that must be approved by the County Auditor-Controller.
- c. Although it is expected that all departments will bill out their costs timely in accordance with the *Policy on Cost Recovery and Fees*, there will be certain residual costs of central service functions or administrative departments such as CAO, Counsel, IT, General Services, etc., that are not direct-billed to users. These are allocated through the countywide cost allocation plan that is prepared by the County Auditor-Controller and approved by the State Controller. Once approved, these costs will be charged to user departments, usually two years in arrears.

3. COST ACCOUNTING

- a. Cost data should be tracked in the formal accounting records at the level of detail that would facilitate the various purposes of management: managerial decision making, rate setting, claiming for reimbursement and financial reporting.
- b. The accounting system should contain sufficient documentation about costs that would satisfy the ten criteria for cost allowability in OMB Circular A-87 mentioned above.
- c. Different costs may be calculated for different purposes: managerial decisions; rate-setting; claiming; financial reporting.

4. COST FOR MANAGERIAL DECISIONS

- a. To determine the true cost of a program all pertinent costs should be identified, computed and charged to the program, in accordance with generally accepted accounting principles, irrespective of laws, regulations or contractual agreements.

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TYPE: POLICY	DATE: JUNE 7, 2011

- b. Cost estimates should be provided to customers (internal and external) prior to delivery of goods or services.
- c. Cost charges should be reconciled to cost estimates after delivery is completed.
- d. For certain managerial decisions involving comparisons of alternatives, it may be appropriate to distinguish:
 - Avoidable costs from sunk costs
 - Variable costs from fixed costs
 - One-time costs from recurring costs
 - Hard costs from opportunity costs

5. COST FOR RATE SETTING

- a. Fees and rates should be set to recover only actual costs and after considering the following factors:
 - i. Constraints of laws and regulations.
 - ii. Public good versus specific benefit: a user's fee should be set to reflect the estimated benefits received by the user; if a service results in substantial benefit to the public at large then it may be appropriate to recover only the portion that benefits specific user and let the balance of the cost be borne by the taxpayers.
 - iii. Market demand: the extent of cost recovery depends on whether the market for the services is strong and supports a high level of cost recovery.
 - iv. Practicality of collection: under certain conditions it may be impractical to establish a system to identify and charge users.
- b. To smooth out the effect of erratic fluctuations in costs, fees may be set to recover a long-term average cost that approximates the actual cost for the period.
- c. Rates should be set to recover the total costs of internal service fund and enterprise fund activities.
- d. All fees should conform to the *Policy on Cost Recovery and Fees*.

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6. COST FOR CLAIMING

- a. All claimed costs should be determined as specified in COST DETERMINATION and COST ALLOCATION above.
- b. All claimed costs should conform to the requirements of the funding sources.
- c. To the extent allowable, costs should be claimed such that cash inflows are maximized.

7. COST FOR FINANCIAL REPORTING

- a. Generally, transactions are recorded at historical costs; assets and liabilities are valued in accordance with generally accepted accounting principles appropriate for government, as enunciated by standards issued by the Government Accounting Standard Board and practices prescribed by the Government Finance Officers Association in Governmental Accounting, Auditing and Financial Reporting (the Blue Book).
- b. The County's general ledger is designed primarily for reporting financial condition and results for financial accountability purposes. It is the backbone of the county financial system to which all other cost systems must reconcile.
- c. All financial reports on the County or its programs must be based on the county general ledger.
- d. Cost estimates that are other than historical costs (such as replacement costs, actuarial costs, etc.) can be used in circumstances allowed by generally accepted accounting principles and must be supported by fact-based analyses.
- e. Prescribed cost reports must conform to the requirements of the requestor agencies.

8. COST FOR FINANCIAL PLANNING

- a. Cost projections that are used for financial planning purposes may be based on historical costs adjusted by the appropriate inflationary or deflationary factors; replacement costs, or actuarial costs. Such purposes may include evaluating the adequacy of a reserve or sinking fund or evaluating the merit of various long-term financing options.
- b. Future costs may be prepaid into a sinking fund that is administered countywide by the County Auditor-Controller for the purpose of preserving the ability to provide sustained services.



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Administrative Policies and Procedures Manual

TITLE: COST RECOVERY AND FEES	DEPARTMENT: COUNTY ADMINISTRATOR
TYPE: POLICY	DATE: JUNE 7, 2011

A. PURPOSE

This policy sets forth the philosophy and principles for recovering county costs through fees and other charges for services to support the strategic goal of financial sustainability in county government.

B. APPLICABILITY

This policy provides guidance on the establishment and maintenance of fees and rates charged by the County in exchange for services rendered. It amplifies the objective of cost recovery contained in the policy titled *Financial Standards* and is supplemented by the *Policy on Cost Accounting* and the *Policy on Revenue and Collection*. This policy does not apply to taxes and assessments levied by the County or other special purpose governmental entities, nor to negotiated sharing of revenues between the County and others.

C. POLICY

1. COST RECOVERY

- a. Departments shall seek to recover the full cost of all services they provide to agencies, entities or individuals outside the County of Yolo organization on a contractual or fee basis or when obtaining grant funding. The purpose of full cost recovery is to preserve the ability to provide sustained services.
- b. Internal Service Funds shall recover the full cost of all services they provide to departments, agencies, entities or individuals on a contractual or fee basis.
- c. Full cost is defined as the sum of direct costs plus departmental/fund overhead costs plus external indirect costs that conform to the *Policy on Cost Accounting*.
- d. Board of Supervisors approval is required for initiation or revision of public fees and charges (except for fee amounts that are fixed by statute), initiation and renewal of revenue contracts, and to apply for and accept grants.

2. FEES AND CHARGES

- a. The County can charge a fee for the following:
 - 1) A specific benefit conferred, privilege granted, service or product provided, directly to the payor that is not provided to those not charged.

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- 2) Reasonable regulatory costs incident to the issuance of licenses or permits, performance of investigations, inspections or audits.
 - 3) A fine, penalty, or other monetary charge imposed by the judicial agencies as a result of violation of laws.
- b. Except for fees, fines or penalties that are fixed by law, fee rates shall be set to sufficiently recover, in the long-run, all and only actual full costs incurred by the County, directly or indirectly, and consistent with long-term cost trends.
 - c. Except for fees, fines or penalties imposed by law, fees shall be charged or allocated to the payor in a manner that reflects fairly and reasonably the benefits received by the payor from the County or the burden caused by payor on the County.
 - d. To the extent practicable, estimates of fees and charges should be provided in advance of providing services to the customers.
 - e. All fees and proposed changes must be supported by calculations that have been reviewed by the County Auditor-Controller and that are based on methods authorized by the Auditor-Controller.
 - f. The County Administrator shall review all proposed changes to the fee schedules, grant applications and revenue contracts from an overall policy perspective. The County Counsel and County Auditor-Controller shall review all revenue contracts to ensure that the County's interests are protected.

3. SUBSIDIES AND WAIVERS

- a. No board-approved fees or charges can be reduced or waived without the specific approval of the Board of Supervisors.
- b. The Board of Supervisors may reduce or waive certain fees that apply to certain individuals or organizations. Such reduction or waiver shall be requested by the party concerned in writing to the department providing the services; department staff shall evaluate the request and submit findings to the County Administrator, who will make a recommendation to the Board of Supervisors for final decision. In the evaluation, the department should provide:
 - 1) The total amount of the reduction requested and approved reductions in the past.
 - 2) In regard to fees related to construction projects, a finding that the waiver or reduction does not create a public work.
 - 3) A finding that the waiver or reduction does not create a gift of public funds.

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- 4) A finding that the fee meets at least one of the criteria listed in section 2.a above in regard to this payor.
- 5) A finding that describes one or more of the following:
 - i. The payment of the fee would cause economic hardship (defined in U.S. Treasury regulations as the inability to meet reasonable basic living expenses) due the financial condition of the payor.
 - ii. The payor is making a net economic contribution to the County that exceeds the amount of the fee; or is providing uncompensated services to the County that are of comparable value to the fee.
 - iii. The payor engages in activities that specifically advance the county's strategic goals.
- c. The Board of Supervisors may delegate the authority to reduce fees to other county officials and approve a procedure with specific criteria for the officials to follow.
- d. At least annually, the County Administrator shall report to the Board the types and amounts of fees that have been waived or reduced and the associated impact to county services.
- e. Statutes or the courts may allow certain fees and fines to be reduced or waived by specific county officials; such reductions or waivers are exempt from the provisions of this policy.

4. OFFICIAL FEE LIST

- a. All county fees approved by the Board of Supervisors shall be included in the County Master Fee Resolution and Fee Schedule which becomes the official County fee list. The County Administrator shall recommend annual updates to the Master Fee Schedule for approval by the Board of Supervisors.
- b. Departments charging fees are to make available to the public a fee schedule which states the nature of services provided and the effective date of fee implementation.
- c. Departments shall review all fees annually for necessary changes to comply with this policy.

5. INTER-DEPARTMENTAL CHARGES

- a. County departments providing services to other departments shall, as practicable, charge the recipient departments the full costs of those services through direct billing.
- b. County departments shall track cost data and allocate costs to county programs in accordance with the Policy on Cost Accounting.

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TITLE: POLICY ON COST RECOVERY AND FEES	DEPARTMENT: COUNTY ADMINISTRATOR
TYPE: POLICY	DATE: JUNE 7, 2011

- c. The countywide cost allocation plan is a method of allocating administrative and overhead costs and shall not be used for billing purpose, except for residual amounts that could not be practically direct-billed.
- d. All such inter-departmental charges shall be recorded timely in the accounts of the departments and paid through inter-fund transfers or journal entries.

6. REVENUE CONTRACTS

- a. Any contractual provisions involving the levy of county fees or recovery of county costs shall be reviewed by the County Auditor-Controller in addition to the County Counsel.
- b. Any negotiated provisions that result in less than full cost recovery or a levy that is less than the amount in the approved fee list shall be evaluated by the County Administrator and County Auditor-Controller who shall make a recommendation to the Board of Supervisors.
- c. All revenue contracts shall contain provisions that allow County staff to receive reports and access the records to validate the revenue paid to the County.

7. COST CLAIMS

- a. All costs included in claims shall conform to the *Policy on Cost Accounting* and this Policy.
- b. All claimed costs shall be based on the County general ledger and other official records maintained by the County Auditor-Controller and shall be supported by proper documentation.
- c. All claims shall be submitted timely and in the proper format to paying entities.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: FUND BALANCES AND RESERVES	DEPARTMENT: COUNTY ADMINISTRATOR
TYPE: POLICY	DATE: JUNE 7, 2011

A. PURPOSE

This policy relates to the classification and use of fund balances, and describes the plan for financial reserves to support the strategic goal of financial sustainability in county government.

B. APPLICABILITY

This policy applies to the County General Fund as well as all other governmental funds and is consistent with *Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*, (GASB 54). Governmental funds are used to account for governmental activities that are principally supported by taxes and intergovernmental revenues. In Yolo County, they include the General Fund, the Public Safety Fund, the Roads and Transportation Fund, the Tobacco Securitization Fund, the Mental Health Managed Care Fund, and over a hundred other smaller funds. This policy does not apply to proprietary funds or fiduciary funds.

C. POLICY

1. GENERAL FUND

- a. The General Fund is normally used to account for and report all financial resources not accounted for and reported in another fund; these resources are generally not restricted to specific purposes.
- b. In addition, as the chief operating fund of the county government, the General Fund has a broader mandate than other funds; this includes accumulating sufficient resources for the administration of the government, for the provision of county services that have no dedicated funding, and for the mitigation of contingencies. Due to this important mandate, the General Fund is often viewed as a measure of the financial health of the county government; as such, it is regularly scrutinized by bond rating agencies, grantors, lenders and other potential County financial partners.
- c. For the above reasons, General Fund resources should be used sparingly and the General Fund should be the fund of last resort: all special purpose funds should be expended first before General Fund resources are drawn on.

2. FUND BALANCE CLASSIFICATION AND USE

- a. Fund balance in governmental funds essentially represents working capital that can either be used as a liquidity reserve or for spending in future years. In order to determine what portion of fund balance is available for spending in a future budget, the fund balance is broken down into five different categories denoting various levels of restrictions. The five classifications conform to GASB 54 and are, in order of decreasing constraint:
 - 1) **Nonspendable Fund Balance** - These are amounts that cannot be spent due to their nature (e.g. prepaid amounts) or are amounts that must be maintained intact legally or contractually (e.g. corpus of a permanent fund).

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TITLE: FUND BALANCES AND RESERVES	DEPARTMENT: COUNTY ADMINISTRATOR
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- 2) **Restricted Fund Balance** - These are amounts that are constrained for a specific purpose by external parties, constitutional provision or enabling legislation. The constraints are imposed by either laws, or federal or state grantors or creditors. The constraints can only be removed by the imposing party. For example, most grant funds would be restricted to the purposes of the grant; Measure P - 2008 bond proceeds are restricted to the maintenance and expansion of the Davis library; Proposition 42 gas sales tax funds are restricted to certain expenditures for public streets and roads.
 - 3) **Committed Fund Balance** - These are amounts that are constrained for a specific purpose by the Board of Supervisors. A board resolution or a budget resolution is required to impose, remove or change the constraints placed on these resources. For example, the Habitat and Resource Management Program Fund was established by the Board of Supervisors to finance the implementation of the Cache Creek Area Plan; the Demeter Fund was established by the Board of Supervisors to create an endowment which would generate a perpetual income of \$1 million beginning in 2024.
 - 4) **Assigned Fund Balance** - In funds other than the General Fund, these amounts are any remaining positive amounts not classified in the above-listed categories. For example, in a capital project fund, any positive balance that is not nonspendable, restricted or committed, is automatically reported as assigned fund balance. In the General Fund, assigned amounts reflect intended uses of resources and may be constrained for a specific purpose by the County Administrator or the County Auditor-Controller. Such constraint can be changed or removed by the same county officers. Such assignment and subsequent changes should be reported at least annually to the Board as part of the Recommended Budget. Assigned amounts should not cause a deficit in unassigned fund balance in the General Fund. For example, a portion of the year-end balance of the General Fund may be set aside to eliminate a projected budget deficit in the next fiscal year; this amount, as well as year-end encumbrances in the General Fund would constitute assigned fund balance.
 - 5) **Unassigned Fund Balance** – These are amounts that have no restriction of any kind. By definition, a positive unassigned fund balance can exist only in the General Fund. In other governmental funds, there can only be negative unassigned fund balance, that is, residual deficit.
- b. **Unrestricted Fund Balance** – This term is used to refer to the aggregate of all funds that are not restricted. This would be the sum of committed, assigned and unassigned fund balances as described above.

3. ORDER OF SPENDING

- a. In order to preserve maximum flexibility, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is presumed that restricted funds are spent first.

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TITLE: FUND BALANCES AND RESERVES	DEPARTMENT: COUNTY ADMINISTRATOR
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- b. Similarly, when an expenditure is incurred for purposes for which amounts in any unrestricted fund balances could be used, it is presumed that the committed amounts are spent first, then the assigned amounts, then the unassigned amounts.
- c. Upon recommendation of either the County Administrator or the County Auditor-Controller, the Board of Supervisors may authorize a different order of spending in specific cases.

4. STABILIZATION FUNDS

The County uses different types of mechanisms to maintain long-term financial stability. They are:

a. **Annual Appropriations for Contingencies**

These amounts provide the first line of defense against uncertainty and are budgeted in specific funds to cover minor unanticipated needs of a non-recurring nature that may arise throughout the year or provide for small increases in service delivery costs that were not anticipated during budget development. During the annual budget process the County Administrator recommends a specific level of appropriation for contingency (usually 1% - 3% of total budgeted expenditures) in specific funds.

b. **Specific Reserves**

In accordance with the County Strategic Plan and the Long Term Financial Plan, financial reserves are established to accumulate sufficient assets to pay known future liabilities or expenditures associated with known events which can be estimated with a reasonable degree of certainty. The Board of Supervisors may establish such reserves upon recommendation of the County Administrator or the County Auditor-Controller. The purposes of these reserves may include, but are not limited to:

1. Self insurance
2. Capital replacement
3. Infrastructure maintenance
4. Liability for Other Post Employment Benefits (OPEB)
5. Employee separation pay-offs
6. Litigation settlement
7. Environmental remediation

The rationale for establishing any reserve fund should be clearly stated and should include:

- i. A detailed description of its purpose
- ii. A target fund balance, with minimum and maximum levels if applicable, and the method for determining this target

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TITLE: FUND BALANCES AND RESERVES	DEPARTMENT: COUNTY ADMINISTRATOR
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- iii. A funding plan with identified funding sources and funding schedule
- iv. A description of the triggering events that would justify a drawdown and the criteria for the drawdown
- v. The level of authorization required for the drawdown
- vi. A plan for replenishment after a drawdown, if not already part of the funding plan

c. **General Reserve**

The purpose of this reserve is to protect the County's essential services from the potentially devastating impact of unanticipated events and circumstances such as:

- i. Severe economic downturn
- ii. Severe funding reductions from funding agencies
- iii. Severe state budget impact
- iv. Catastrophic disasters

The balance in the reserve shall be maintained in the range 5% - 15% of the average total expenditures reported by the General Fund in the County annual financial report of the preceding three fiscal years. The County Auditor-Controller shall calculate the annual required contribution corresponding to this funding range and provide this information to the County Administrator during the annual budget development.

Drawdown on the General Reserve shall only be authorized by the Board of Supervisors in a four-fifth vote resolution or during the adoption of the annual budget.

In the first year of funding and after every drawdown, the General Reserve shall be replenished at the minimum level within five fiscal years.

The County Treasury shall maintain liquid county funds equal to at least the amount of the General Reserve.

d. **Cash Reserve**

In addition to the purposes specified for each of the reserves described above, their combined cash balance serves as a cash cushion to mitigate the effect of uneven cash flows during the year. The County traditionally issues tax revenue anticipation notes (TRAN) to cover cash shortfall during the cash-dry months. This need may be obviated by the increase in reserve funds if the aggregate balance of the reserves within the General Fund is maintained at above 15% of General Fund expenditures.

e. **Annual review**

The adequacy of all reserves, including their funding status, should be reviewed annually as part of the annual update of the long term financial plan or as part of the annual budget process.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: REVENUES AND RECEIVABLES	DEPARTMENT: AUDITOR CONTROLLER
TYPE: POLICY	DATE: JUNE 7, 2011

A. PURPOSE

The purpose of this policy is to maximize the collection of County revenues and accounts receivable to support the County strategic goal of financial sustainability.

B. APPLICABILITY

The policy applies to all types of County revenues and to any amounts that are owed to the County from any party.

C. DEFINITIONS

1. Revenue –all funds due the County including cost reimbursements, grants, fees, fines, penalties, offsets, revenue sharing agreements, pass-through agreements, and any other negotiated revenue agreements and taxes.
2. Countywide Revenue – all revenues that benefit the County as a whole or are not specifically assigned to a department, such as property taxes, sales and use taxes, Re-alignment revenues, etc.
3. Departmental Revenue – revenue that is assigned to, or administered by a department.
4. Billing - a charge to an entity external to Yolo County for cost reimbursement, grants, fees, fines, penalties, offsets, or for any other source of revenue arising from services rendered, goods sold, contractual agreements or legal requirements.
5. Claim - a form of billing prepared in accordance with a funding agency's requirements to reimburse costs.
6. Cost Recovery – See *Policy on Cost Recovery and Fees*.
7. Accounts receivable - an amount due the County from any source. The amount must be known (determinable) and the County must be legally entitled to receive the funds.

D. POLICY

1. Countywide Revenue

The County Administrator is primarily responsible for monitoring the collection of existing revenues, and identifying and initiating claims on new countywide revenues.

The County Auditor-Controller is responsible for recording and collecting countywide revenues.

2. Departmental Revenue

- a. Departments shall take steps to recognize revenues timely.
- b. Departments shall recover county costs through billings or claims to the extent allowable and required by laws and when economically feasible.



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TITLE: REVENUE AND RECEIVABLES	DEPARTMENT: AUDITOR CONTROLLER
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- c. Departments shall maintain proper documentation of costs incurred on behalf of the billed parties and other evidence of indebtedness and retain such documentation in accordance with record retention requirements.
 - d. Costs shall be computed in accordance with the Policy on Cost Accounting and Policy on Cost Recovery and Fees.
 - e. Billings shall be processed through authorized internal billing mechanisms or invoices and claims will be submitted in accordance with funding agencies' guidelines.
 - f. Billings and claims shall be sent out timely.
 - g. Fees and charges must be collected from customers in advance of rendering services unless payment in arrears is allowable by law or regulation. The timing of inter-departmental charges may be adjusted to reflect revenue flows.
 - h. All County personnel shall be attentive to any opportunity for recognizing revenue for the County.
3. Accounts Receivable
 - a. Departments, which generate billings or claims, shall maintain sufficient and updated accounts receivable records and ledgers to accurately reflect amounts owed to them by other parties.
 - b. Departments are responsible for using appropriate systems to record accounts receivable detail. Such detail must be reconciled to the Revenue Master module in the County's general ledger.
 4. Overpayments

Departments shall have in place adequate procedures to prevent overpayments. However, should overpayments occur, they should be recorded as an accounts receivable.
 5. Revenue Monitoring

Departments are responsible for regularly monitoring revenues and other amounts due the County and following up timely on variances with amounts recorded.
 6. Collections
 - a. Departments are charged with the collection of the revenues and accounts receivable that they administer.
 - b. Departments shall have written collection procedures.
 - c. Departments shall pursue the collection of accounts receivable through regular review of the accounts receivable aging and active collection efforts.
 - d. Collection efforts shall be documented in writing.



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TITLE: REVENUE AND RECEIVABLES	DEPARTMENT: AUDITOR CONTROLLER
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e. Departments may use the services of Yolo County Collection Services to collect on delinquent accounts. All accounts that are delinquent over ninety days must be turned over to the Yolo County Collection Services, unless the department uses an authorized tax intercept program or similar mechanisms.

7. Reporting

Departments shall submit a report of accounts receivable balances, charges, collections and adjustments at least quarterly to the County Auditor-Controller in the format prescribed.

8. Discharge of accountability

At least once a year, no later than April 30, departments shall review the collectability of accounts receivable according to statutory criteria or other applicable criteria and shall apply for discharge of accountability to the County Auditor-Controller in accordance with Government Code section 25257-25259.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: POLICY ON ACCOUNTABILITY AND AUDIT	DEPARTMENT: COUNTY ADMINISTRATOR; COUNTY AUDITOR-CONTROLLER
TYPE: POLICY	DATE: SEPTEMBER 24, 2013

A. PURPOSE

This policy provides assurance of accountability in Yolo County government and supports the strategic goal of providing fiscally sound, dynamic and responsive services.

B. APPLICABILITY

This policy applies to all County departments and all programs and activities that are under the direct control of the Board of Supervisors or any county officials.

The Board of Supervisors may direct that these standards also apply to certain other entities outside of the Yolo County government which are included as component units of the County for financial reporting purposes.

According to the Government Accounting Standards Board's *Concepts Statement No. 1*, "accountability requires governments to answer to the citizenry – to justify the raising of public resources and the purposes for which they are used. Governmental accountability is based on the premise that the citizenry has the right to know, a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives"

C. POLICY

1. LEVEL OF FINANCIAL ACCOUNTABILITY

- a. All county officials and staff should strive to maintain the highest level of financial accountability expected by the public or any major stakeholder group.
- b. The level of financial accountability is measured by the extent to which:
 - 1) Goals are achieved efficiently, in compliance with laws and regulations, as demonstrated by performance measures.
 - 2) Decisions on all financial matters are transparent to all parties concerned.
 - 3) Meaningful results are reported to the appropriate stakeholders.
 - 4) Public value is recognized.
- c. Accountability should pervade all echelons of the county organizational structure.

2. ACCOUNTING

- a. All financial transactions must be recorded, categorized and summarized in accounting ledgers in accordance with generally accepted governmental accounting principles (Government GAAP) and other principles prescribed by funding and regulatory agencies, such as the California State Controller.

County of Yolo

Administrative Policies and Procedures Manual

TITLE: POLICY ON ACCOUNTABILITY AND AUDIT	DEPARTMENT: COUNTY ADMINISTRATOR; COUNTY AUDITOR-CONTROLLER
TYPE: POLICY	DATE: SEPTEMBER 24, 2013

- b. Government GAAP includes:
- 1) Statements and interpretations issued by the Government Accounting Standard Board
 - 2) Guidance from the American Institute of Certified Public Accountants (AICPA)
 - 3) Guidance and publications issued by the Government Finance Officers Association (GFOA), such as *Government Accounting, Auditing, and Financial Reporting*, also known as The Blue Book.
- c. Sufficient accounting records and analyses must be maintained to support financial decisions at all levels within the County. The audit trail and rationale for the decisions must be adequately documented for eventual public disclosure.
- d. Accounting records must be maintained in accordance with state and federal laws and regulations.
- ### 3. INTERNAL CONTROL
- a. Internal control is a process, effected by the Board of Supervisors, management, and other personnel, designed to provide reasonable assurance of financial accountability.
- b. The County Administrator, management team and Auditor-Controller are responsible for fostering adequate internal controls to achieve accountability; the Auditor-Controller shall issue and maintain *Internal Control Standards* for countywide application.
- c. Internal control standards shall conform to *Internal Control – Integrated Framework (2013)* issued by the Committee on Sponsoring Organization of the Treadway Commission (COSO), and thus should include these five components:
- a. Control environment
 - b. Risk assessment
 - c. Control activities
 - d. Information and communication
 - e. Monitoring activities
- d. Management in each county department is responsible for maintaining sufficient internal controls to obtain reasonable assurance that the department goals are achieved efficiently and in compliance with laws. These internal controls should be at least equivalent to the *Internal Control Standards* issued by the Auditor-Controller.
- e. County internal auditors shall regularly monitor compliance with the *Internal Control Standards*, assess the risk of insufficient accountability countywide and make recommendations for improvements.

County of Yolo

Administrative Policies and Procedures Manual

TITLE: POLICY ON ACCOUNTABILITY AND AUDIT	DEPARTMENT: COUNTY ADMINISTRATOR; COUNTY AUDITOR-CONTROLLER
TYPE: POLICY	DATE: SEPTEMBER 24, 2013

4. FINANCIAL REPORTING

Accountability includes providing financial information that citizens and others can use to hold the county government accountable for its actions and to enlighten public discussion of all aspects of the role and activities of government, not just its financial activities. In this regard, at the minimum the following reporting should take place:

- a. Financial reports must be produced from the general ledger and submitted timely to the requesting agencies or other stakeholders.
- b. The Auditor-Controller shall prepare a comprehensive annual financial report (CAFR) of the County in accordance with generally accepted accounting principles; this report shall be available by December 31 and meet the criteria for financial reporting excellence issued by the Government Finance Officers Association (GFOA). The annual report should be submitted timely to the Board of Supervisors and to other requesting agencies and stakeholders.
- c. A popular version of the CAFR, consistent with the GFOA best practices, should be published and made available to the public.
- d. The County Administrator shall report annually to the Board of Supervisors and the citizenry on the financial and operational results achieved for each fiscal year, using financial and operational data as well as relevant performance measures. Such reports should explain variances and deviations from plans and may include reports such as annual budget variances, and annual summaries of performance from departments.
- e. All formal financial reports including county budgets, financial plans, financial statements and relevant performance reports shall be made readily available to the public.

5. AUDITING

- a. The Board of Supervisors shall cause an annual audit of the county financial statements to be made in accordance with generally accepted auditing standards.
- b. County departments shall comply with all audit requirements stipulated by all state, federal and non-government grantor agencies.
- c. The Board of Supervisors shall establish and maintain an Audit Committee in accordance with GFOA best practices to help fulfill its oversight responsibilities for the integrity of the county financial statements, for the annual independent audit and for the system of internal control.
- d. The Audit Committee responsibilities are described in a charter and include, among other things, selecting the independent auditor for the county, monitoring the scope of all audit work (internal and external audits) and facilitating the resolution of audit findings and recommendations.
- e. The Auditor-Controller shall maintain an Internal Audit unit in accordance with California Government Code section 1236 to foster and monitor financial accountability in the County.

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TITLE: POLICY ON ACCOUNTABILITY AND AUDIT	DEPARTMENT: COUNTY ADMINISTRATOR; COUNTY AUDITOR-CONTROLLER
TYPE: POLICY	DATE: SEPTEMBER 24, 2013

- f. Responsibilities and activities of the Internal Audit unit shall be established in a charter adopted by the Board of Supervisors and shall conform to the *Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors.



County of Yolo

Administrative Policies and Procedures Manual

TITLE: FINANCIAL STANDARDS	DEPARTMENT: AUDITOR-CONTROLLER
TYPE: POLICY	DATE: MAY 23, 2006

A. PURPOSE

The purpose of this document is to establish standards that guide the formulation of financial policies in Yolo County.

B. APPLICABILITY

These standards describe a broad framework for financial management in the county and are designed to ensure the long-term financial stability and accountability of Yolo County government. Some of these standards may exist as provisions of laws, county ordinances or Board of Supervisors' resolutions. These broad standards are supplemented by specific policies found in this manual.

C. POLICY

1. Principles and Responsibilities

a. Guiding Principles

- (1.) Effectiveness - The financial function should serve county operational goals.
- (2.) Efficiency – Financial resources should be allocated to achieve optimum impact.
- (3.) Responsibility - Managers should always consider the financial effect of their decisions.
- (4.) Comprehensiveness - Financial decisions should be based on long-term views and countywide perspective.
- (5.) Soundness – Financial decisions should be based on careful consideration of all relevant factors.
- (6.) Prudence – Risk mitigation is an integral part of financial management.
- (7.) Prevention - Financial management should be pro-active.
- (8.) Accountability - Financial management should end with accountability.

b. Roles and Responsibilities

- (1.) The Board of Supervisors adopts policies, provides directives to staff and has the ultimate responsibility for ensuring that county financial resources are safeguarded and utilized effectively and efficiently.
- (2.) The County Administrator (CAO) plans, acquires and allocates financial resources in accordance with Board policy and directives, and ensures adequate accountability.

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TITLE: FINANCIAL STANDARDS	DEPARTMENT: AUDITOR-CONTROLLER
TYPE: POLICY	DATE: MAY 23, 2006

- (3.) Department heads utilize financial resources in the most efficient way to achieve operational goals and are accountable to the Board.
 - (4.) The Auditor-Controller maintains the financial system and provides independent review to ensure that financial plans are executed as approved and that proper accountability of county financial resources exists.
 - (5.) The Treasurer is responsible for the safe custody of county financial resources.
2. Financial Planning
- a. Annual Financial Plan
 - (1.) The county should have an annual financial plan that includes the goals to be achieved and the planned uses of financial resources.
 - (2.) The annual financial plan must be aligned with the county's long-range financial plan.
 - (3.) The annual financial plan should include an operational component and a capital component.
 - (4.) Each county department should have an annual financial plan that contributes to the county financial plan.
 - (5.) The annual budget is part of the financial plan and must be balanced in the aggregate.
 - (6.) The annual budget should include all financial resources that are available to county officials and that are intended for county purposes.
 - (7.) The county should not rely on a single source of revenues other than the general-purpose revenues to fund basic county operations.
 - (8.) The county should not rely on non-recurring revenues and those that are subject to unpredictable fluctuations to fund continuing operations.
 - (9.) During the year, the annual financial plan should be periodically compared with actual results and fine-tuned.
 - (10.) Resources should be re-allocated to areas where they are most effectively and efficiently used.
 - (11.) Budgetary practices should conform to National Advisory Council on State and Local Budgeting recommendations.
 - b. Long-range Financial Plan
 - (1.) The county should develop long-term financial goals that promote fiscal stability and accountability.

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Administrative Policies and Procedures Manual

TITLE: FINANCIAL STANDARDS	DEPARTMENT: AUDITOR-CONTROLLER
TYPE: POLICY	DATE: MAY 23, 2006

- (2.) The county should develop and maintain a long-term financial plan to achieve the long-term financial goals.
 - (3.) The long-term financial plan should provide for the acquisition and maintenance of necessary infrastructure and capital assets, and funding of long-term liabilities and reserves within a reasonable time.
 - (4.) The long-term financial plan should take into account regional plans and relevant legislative and political factors.
3. Financial Management
- a. Revenues
 - (1.) The county should maximize recovery of costs through fees and charges to the extent allowable by law and with the goal of maximizing net cash inflows in the long-term.
 - (2.) The county should maximize grant revenues and other government aids to the extent that they result in overall net benefit to the county.
 - (3.) The county should continuously strive to expand and diversify its revenue base with the goal of achieving stable sources of revenue.
 - b. Expenditures
 - (1.) All expenditures of county funds shall be pre-approved in the annual budget or by specific board action.
 - (2.) Expenditures of county funds shall be properly documented, authorized, incurred in compliance with laws and in support of county purposes.
 - c. Assets
 - (1.) All county assets should be promptly recognized and taken into the custody of county officials.
 - (2.) County assets should be properly safeguarded and maintained.
 - (3.) All restrictions on assets shall be honored.
 - (4.) The county should maintain adequate liquid assets to meet operational needs and invest the balance to achieve an average market rate of return and meet long-term financial needs.
 - d. Liabilities

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- (1.) The Board of Supervisors must pre-approve all significant commitment of current or future county financial resources.
 - (2.) All county liabilities should be promptly recognized and recorded.
 - (3.) Except for emergency and temporary cash flow financing, the county should not borrow for working capital.
 - (4.) Since each fund has its purpose internal borrowing should be kept to a minimum.
 - (5.) Long-term debt should be incurred only to fulfill the long-term needs of county residents.
 - (6.) Total debts should be kept at a healthy level.
 - (7.) The county must be committed to full and timely repayment of all debts.
- e. Reserves
- (1.) The county should maintain a general reserve for emergency.
 - (2.) The county should maintain a reserve to mitigate the effect of funding fluctuations.
 - (3.) Other reserves should be created and funded in accordance with the county's long-term financial plan to meet all known long-term obligations.
- f. Fund Balance
- (1.) Unused resources should revert to fund balance at fiscal year-end.
 - (2.) After reserves are funded the remaining fund balance may be made available for special appropriations within the constraints of the funds.
4. Accountability
- a. Level of Accountability
- (1.) The county should strive to maintain the highest level of accountability expected by any major stakeholder group.
 - (2.) The degree of accountability is measured by the extent to which:
 - (a.) Resources are acquired and used effectively and efficiently.
 - (b.) Laws and regulations are complied with.
 - (c.) Results are appropriately reported to demonstrate good stewardship.
 - (3.) Accountability should pervade all echelons of the county organizational structure.

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b. Reporting

- (1.) Financial transactions should be recorded and summarized into financial reports in accordance with generally accepted accounting principles.
- (2.) The Auditor-Controller should prepare a comprehensive annual financial report of the county in accordance with generally accepted accounting principles.
- (3.) County management should report annually to the Board of Supervisors and the citizens on the financial condition of the county and results achieved, compare them to the annual financial plan and explain variances. These reports should be in accordance with generally accepted accounting principles and should be presented in simple format for popular consumption.

c. Internal Control

- (1.) County management should maintain internal controls to obtain reasonable assurance that long-term county goals are achieved efficiently and in compliance with laws.
- (2.) County internal auditors should help to validate the results reported by departments.
- (3.) County internal auditors should monitor countywide internal controls regularly and make recommendations to improve them.
- (4.) The risk of non-accountability should be periodically assessed countywide and mitigated through audits and reviews.

d. Audit

- (1.) The Board of Supervisors shall cause an annual independent audit of the financial statements of the county in accordance with generally accepted auditing standards to validate the financial results of the county.
- (2.) All material audit findings and recommendations, whether arising from internal or external audits, shall be reported to the Board of Supervisors and resolved in a timely manner.

County of Yolo Financial Summary – Fiscal Year 2014-15

Statement of Net Position

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

The County's total net position decreased by \$216.5 million during the fiscal year.

Net investment in capital assets increased by \$0.4 million. The increase consists of the following: (1) capital asset acquisitions of \$9.6 million, (2) retirement of related debt of \$3.5 million, less (3) depreciation of \$10.6 million, (4) new debt to acquire capital assets, net of unexpended proceeds, of \$2.0 million and loss on retirement of \$0.1 million.

Restricted net position increased by \$7.8 million primarily due to unexpended funding from the State related to public protection, public assistance and public health programs.

The decrease of \$224.7 million in unrestricted net assets is primarily due to the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", during the fiscal year which required the County to present the amount of pension liability on the face of the Statement of Net Position.

	Statement of Net Position			
	Fiscal Years		Amount Change	% Change
	2015 Audited	2014 Audited		
Current and other assets	\$208,595,059	\$192,760,886	\$15,834,173	8.21%
Non-current & capital assets	200,490,898	201,564,713	(1,073,815)	-0.53%
Total Assets	409,085,957	394,325,599	14,760,358	3.74%
Deferred Outflows of Resources	20,092,332	156,785	19,935,547	100.00%
Current liabilities	34,883,981	30,950,439	3,933,542	12.71%
Long-term liabilities	366,074,586	156,258,122	209,816,464	134.28%
Total Liabilities	400,958,567	187,208,561	213,750,006	114.18%
Deferred Inflows of Resources	37,487,287	0	37,487,287	100.00%
Net investment in capital assets	157,692,069	157,321,894	370,175	0.24%
Restricted	118,925,473	111,096,184	7,829,289	7.05%
Unrestricted	(285,885,107)	(61,144,255)	(224,740,852)	367.56%
Total Net Position	(\$9,267,565)	\$207,273,823	(\$216,541,388)	-104.47%

Net Position Components

- The largest component of the County's **net position is net investment in capital assets** in the amount of \$157.7 million. Even though the County's investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to liquidate the County's debt, and so the resources needed to pay these liabilities must be provided from other resources.
- **Restricted net position** totaling \$118.9 million is resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws and regulations of other governments, or restrictions imposed by law through constitutional provision or legislation.
- **Unrestricted net position** is resources the County may use to meet its ongoing obligations to citizens and creditors. Unrestricted net position totaled (\$285.9) million deficit at the end of the fiscal year a decrease of \$224.7 million. The most significant factor resulting in the decrease was the implementation of GASB Statement No. 68 related to the recognition of pension liability.

Statement of Activities

For the fiscal year ended June 30, 2015, the County's revenues totaled \$280.6 million, an increase of \$0.6 million from the previous year and expenses totaled \$276.0 million, an increase of \$14.4 million.

Statement of Activities				
Fiscal Years				
	2015		2014	
	Unaudited	% of Total	Audited	% of Total
Revenues				
Program Revenues:				
Charges for services	\$44,723,433	15.93%	\$50,432,403	18.01%
Operating grants and Contributions	181,906,102	64.83%	179,112,955	63.97%
Capital grants and Contributions	1,454,413	0.52%	1,999,825	0.71%
General Revenues:				
Property taxes	43,986,383	15.68%	40,937,193	14.63%
Sales tax	4,312,964	1.54%	3,877,511	1.38%
Other taxes	1,790,614	0.64%	1,273,591	0.45%
Use of property and money	1,690,198	0.60%	1,216,622	0.43%
Other general revenues	730,909	0.26%	1,163,878	0.42%
Total revenue	<u>\$ 280,595,016</u>	100.00%	<u>\$280,013,978</u>	100.00%
Expenses:				
General government	\$23,818,295	8.64%	\$24,977,358	9.56%
Public protection	92,197,448	33.41%	87,982,661	33.61%
Public ways and facilities	9,084,534	3.29%	9,091,789	3.48%
Health and sanitation	42,284,657	15.32%	41,461,501	15.85%
Public assistance	87,554,833	31.72%	77,182,919	29.51%
Education	6,498,714	2.35%	6,689,369	2.56%
Recreation and cultural services	1,895,022	0.69%	2,012,644	0.77%
Debt service interest	2,211,577	0.80%	2,578,994	0.99%
Airport	383,009	0.14%	641,333	0.25%
Central landfill	10,053,914	3.64%	8,970,185	3.43%
	<u>\$275,982,003</u>	100.00%	<u>\$261,588,753</u>	100.00%
Change in net assets:	4,613,013		18,425,225	
Net assets, beginning of the year	207,273,823		188,848,598	
GASB 68 restatement	<u>(221,154,401)</u>			
Net assets, end of year	<u><u>\$(9,267,565)</u></u>		<u><u>\$207,273,823</u></u>	

REVENUES:
Program revenues are derived directly from the program itself or from parties outside the County's taxpayers or citizenry.

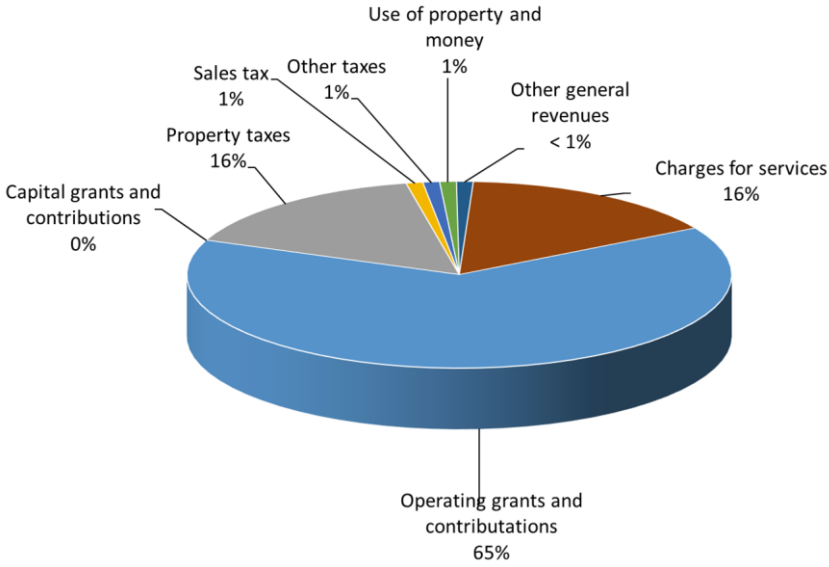
- **Charges for Services** are revenues that arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided.
- **Grants and Contributions** are monies received primarily from the State and Federal governments and are generally restricted to specific programs.

General Revenues are taxes, unrestricted interest and other items not reported as program revenues.

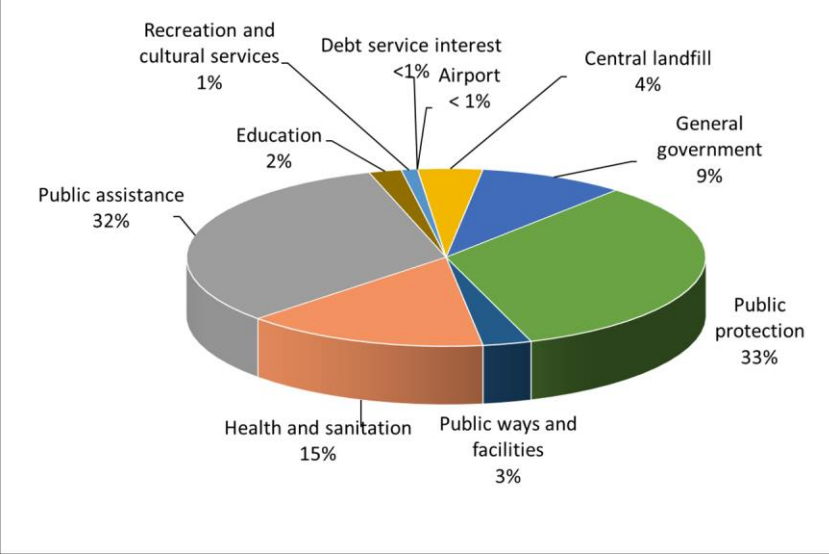
EXPENSES:
Expenses are classified by function or services.

- **General Government** are expenses for administrative offices, that includes the Board of Supervisors, Clerk of the Board, County Administrator, Assessor, Auditor-Controller and Treasurer-Tax Collector, County Counsel, Elections, Human Resources, General Services, Risk Management, Information Technology, and Surveyor-Engineer.
- **Public Protection** expenses include Sheriff-Coroner, District Attorney, Probation, Sheriff-Court Security, Grand Jury, Public Defender, Recorder, Office of Emergency Services, Child Support Services, Agriculture, Public Guardian-Administrator, Planning, Resource Management and Code Enforcement.
- **Public Ways and Facilities** includes repairs, maintenance and construction of public roads and transit services.
- **Health and Sanitation** includes, Indigent Health Care, Public and Environmental Health, Alcohol & Drug Programs, Mental Health Services and Emergency Medical Services

Where the money comes from...



Where the money goes...

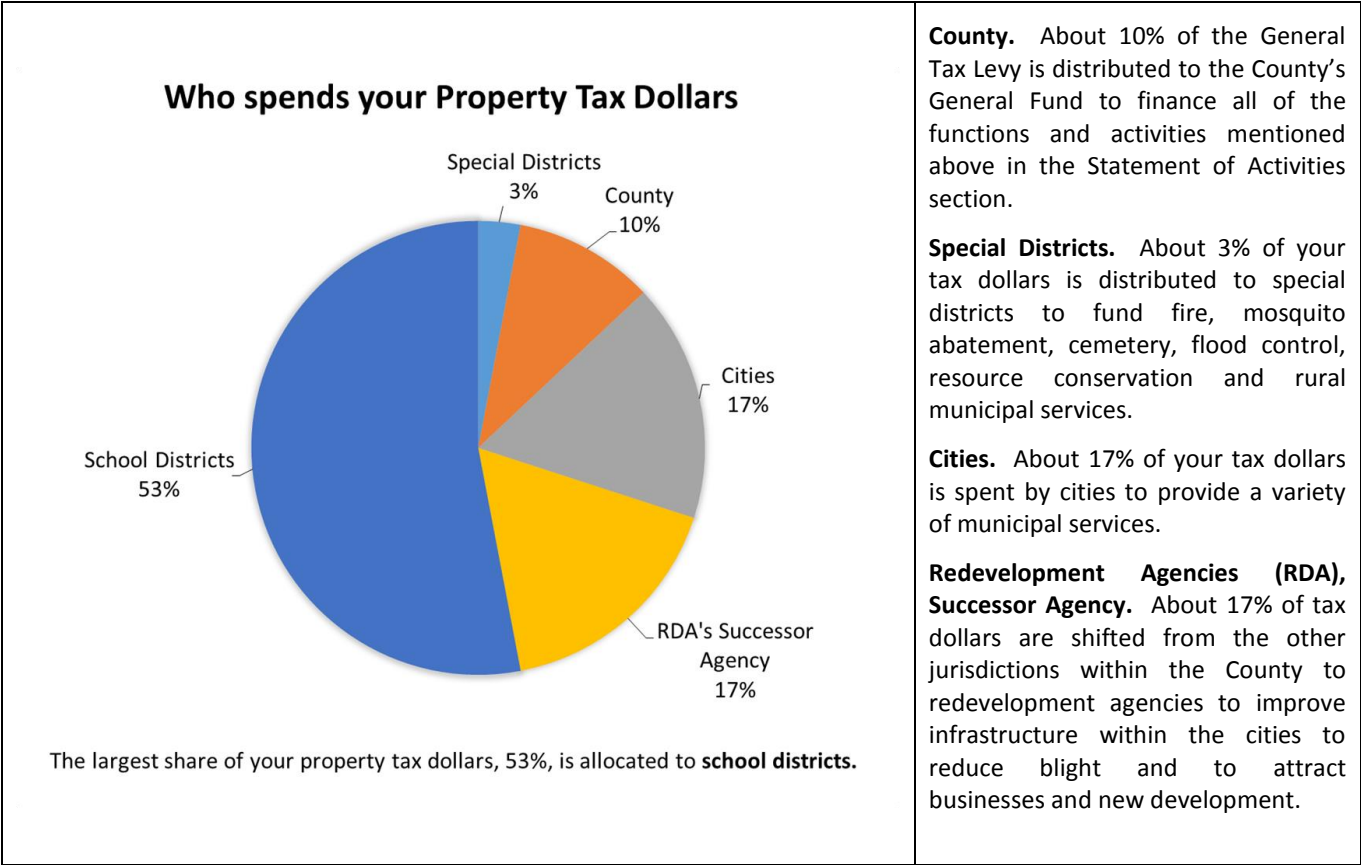


EXPENSES: (continued)

- **Public Assistance** includes Social Services Programs, Housing Assistance, Victims of Crime Assistance, Employment Services and Veterans Services.
- **Education** includes the operating and capital costs of providing library services and agricultural education through the Cooperative Extension department.
- **Recreation and Cultural Services** includes the cost of operating the County Parks system and contributions to Yolo County Historical Society for support of the County Museum and the Yolo County Arts Council.
- **Debt Service Interest** includes both interest expense incurred on both short-term and long-term debt financing.
- **Airport** includes operating and capital improvement expenditures to operate and manage the County Airport.
- **Central Landfill** includes operating and capital improvement expenditures to operate the County Central Landfill.

Your Property Tax Dollars

Property taxes are assessed, collected and distributed by the County. The chart below summarizes the distribution of the 1% General Tax Levy.



In addition to the 1% General Tax Levy many jurisdictions add “special taxes” to your tax bill to fund operations, capital improvements and repayment of debt. Most of these “special taxes” are parcel taxes and are not levied based on property value, but are based on the amount of benefit a parcel receives from the services or improvements. School General Obligation Bonds special assessments are levied as an additional percentage of the assessed value of your property. All of these special assessments along with the 1% General Tax Levy are collected by the Treasurer-Tax Collector as part of your tax bill and distributed to the appropriate agencies by the Auditor-Controller.

You can view your tax bill online at www.yolocounty.org.

Readers wanting more detailed financial information should refer to the County’s 2014-15 Comprehensive Annual Financial Report (CAFR) available online at www.yolocounty.org (go to: General Government > About Us > Budget & Finance).