

# AUDITOR-CONTROLLER

NON-DEPARTMENTAL REVENUE .....1000

*MEREDITH FORD, Auditor-Controller*

## AUDITOR-CONTROLLER'S BUDGET UNITS

|  |      |
|--|------|
| Non-Departmental Revenue .....           | 1000 |
| <a href="#">Auditor-Controller</a> ..... | 1110 |
| <a href="#">Teeter Plan</a> .....        | 1930 |
| <a href="#">Miscellaneous</a> .....      | 1940 |

## PROGRAM DISCUSSION

**Programs:** This budget unit reflects the local revenues of the County of Mendocino that are discretionary in nature and can therefore be allocated for any general County purpose at the discretion of the Board of Supervisors.

Historically, discretionary revenues have included all local general taxes (property, sales, room occupancy,

property transfer, etc.) as well as major State subsidies including Motor Vehicle In Lieu, Sales Tax In Lieu, Timber Yield, Open Space, Stabilization, and Homeowner Property Tax Exemption reimbursements.

## SUMMARY OF MAJOR BUDGET ACCOUNTS

### **Expenditure Transfer and Reimbursements**

|              |  |
|--------------|--|
| ◇ Acct. 5802 | Provides for general fund contribution appropriated as operating transfers to non-general fund departments, i.e. Library, Water Agency, Mental Health, DOT, COP Debt Service, IT Replacement. Decrease in Operating Transfer Out (OTO) of \$(321,310). |
|--------------|--|

### **Revenues**

|                      |                                     |
|----------------------|-------------------------------------|
| ◇ Accts. 1110 – 7802 | Provides for Discretionary funding. |
|----------------------|-------------------------------------|

## CEO RECOMMENDED BUDGET COMMENTS

The CEO recommends funding as submitted by the Department. This budget is projected to have a decrease in overall revenue of \$(760,681) compared to the prior year revenue projection.

# AUDITOR-CONTROLLER

**NON-DEPARTMENTAL REVENUE .....1000**

*MEREDITH FORD, Auditor-Controller*

State Controller  
County Budget Act  
(1985)

County of Mendocino  
State of California  
Budget Unit Financing Uses Detail  
Recommended Budget for Fiscal Year 2009-10

County Budget Form  
Schedule 9

Classification:

Function: 1 General Government  
Activity: 102 General - Finance

Budget Unit: 1000 Non-Departmental Revenue  
Fund: 1100 County General

| Financing Uses Classification | 2007-08<br>Budget | 2007-08<br>Actuals | 2008-09<br>Budget | 2008-09<br>Actuals | 2009-10<br>Request | 2009-10<br>Recommend | 2009-10<br>Adopted |
|-------------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|----------------------|--------------------|
| (1)                           | (2)               | (3)                | (4)               | (5)                | (6)                | (7)                  | (8)                |

as of 5/31/09

|                                |              |              |              |              |              |              |   |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---|
| Expend Transfer & Reimb        |              |              |              |              |              |              |   |
| 865802 Oper Transfer Out       | 7,870,375    | 8,069,690    | 7,601,657    | 7,601,657    | 6,550,228    | 7,280,347    |   |
| Total Expend Transfer & Reimb  | 7,870,375    | 8,069,690    | 7,601,657    | 7,601,657    | 6,550,228    | 7,280,347    | 0 |
|                                |              |              |              |              |              |              |   |
| Total Net Appropriations       | 7,870,375    | 8,069,690    | 7,601,657    | 7,601,657    | 6,550,228    | 7,280,347    | 0 |
| Less: Revenues                 |              |              |              |              |              |              |   |
| 821110 Curr Secured Prop Tax   | 25,328,000   | 25,701,717   | 27,350,502   | 25,582,532   | 27,500,000   | 28,090,000   |   |
| 821120 Curr Unsec Prop Tax     | 850,000      | 821,175      | 906,120      | 912,720      | 913,000      | 950,000      |   |
| 821130 Supplemental Roll Tax   | 1,400,000    | 1,332,740    | 1,300,000    | 648,220      | 950,000      | 850,000      |   |
| 821210 Prior Secured Prop Tax  | 1,800,000    | 3,028,396    | 0            | (1,046)      | 0            | 0            |   |
| 821220 Prior Unsec Prop Tax    | 45,000       | 24,520       | 25,000       | 24,607       | 25,000       | 40,000       |   |
| 821400 Pen/Cost Delinq Tax     | 1,300,000    | 1,353,988    | 530,000      | 272,724      | 500,000      | 660,000      |   |
| 821500 Sales & Use Tax         | 3,600,000    | 3,774,102    | 3,700,000    | 2,938,238    | 3,500,000    | 3,700,000    |   |
| 821510 Sales Tax - Pub Safety  | 6,300,000    | 6,152,056    | 6,200,000    | 4,238,879    | 5,700,000    | 5,550,000    |   |
| 821600 Timber Yield Tax        | 500,000      | 461,505      | 450,000      | 336,366      | 420,000      | 340,000      |   |
| 821700 Hwy Prop Rental         | 0            | 0            | 0            | 0            | 0            | 0            |   |
| 821701 Room Occupancy Tax      | 3,750,000    | 3,840,335    | 3,800,000    | 2,672,855    | 3,500,000    | 3,900,000    |   |
| 821702 Property Transfer Tax   | 800,000      | 470,980      | 500,000      | 282,669      | 350,000      | 350,000      |   |
| 821703 Racehorse Tax           | 0            | 12           | 0            | 0            | 0            | 0            |   |
| 821704 Prop Tax In Lieu of VLF | 9,000,000    | 9,176,579    | 9,763,880    | 9,763,880    | 10,000,000   | 10,000,000   |   |
| 821705 In Lieu of Sales Tax    | 1,100,000    | 1,399,727    | 1,262,263    | 1,262,263    | 1,100,000    | 1,200,000    |   |
| 822210 Franchise               | 750,000      | 769,567      | 770,000      | 720,895      | 780,000      | 790,000      |   |
| 823300 Forfeiture & Penalty    | 0            | 0            | 0            | 515          | 0            | 0            |   |
| 824100 Interest                | 600,000      | 617,899      | 590,000      | 248,345      | 300,000      | 400,000      |   |
| 825150 Motor Vehilce In Lieu   | 0            | 0            | 0            | 0            | 0            | 0            |   |
| 825398 SB90 Reimb              | 0            | 56,703       | 0            | 0            | 0            | 0            |   |
| 825454 Open Space Subv         | 620,000      | 624,508      | 565,000      | 0            | 565,000      | 0            |   |
| 825481 Homeowner Exemption     | 314,000      | 315,063      | 315,000      | 154,210      | 310,000      | 310,000      |   |
| 825490 State Other             | 130,000      | 130,000      | 130,000      | 130,000      | 130,000      | 130,000      |   |
| 825650 Fed Grazing Fee         | 100          | 81           | 100          | 62           | 100          | 100          |   |
| 825660 Fed Land in Lieu Tax    | 229,413      | 232,141      | 236,180      | 382,223      | 380,000      | 380,000      |   |
| 825670 Fed Other               | 0            | 0            | 0            | 189,550      | 0            | 0            |   |
| 826402 Cost Plan Charges       | 295,000      | 299,536      | 686,015      | 324,372      | 361,304      | 359,350      |   |
| 827400 Prior Year Revenue      | 400,000      | 0            | 0            | 487,455      | 0            | 0            |   |
| 827500 Sale of Fixed Assets    | 0            | 0            | 0            | 15,000       | 0            | 0            |   |
| 827600 Other Sales             | 0            | 400          | 0            | 0            | 0            | 0            |   |
| 827700 Other                   | 338,000      | 85,177       | 214,500      | 203,422      | 48,000       | 55,000       |   |
| 827701 Refund Jury/Witness Fee | 1,000        | 427          | 1,000        | 1,065        | 1,000        | 1,000        |   |
| 827707 Donation                |              |              |              | 200          | 100          | 100          |   |
| 827715 Tobacco Settlement      | 425,000      | 476,820      | 475,000      | 523,950      | 485,000      | 520,000      |   |
| 827802 Oper Transfer In        | 424,103      | 567,985      | 429,852      | 592,133      | 864,181      | 864,181      |   |
| Total Revenues                 | 60,299,616   | 61,714,137   | 60,200,412   | 52,908,304   | 58,682,685   | 59,439,731   | 0 |
| Total Net County Cost          | (52,429,241) | (53,644,447) | (52,598,755) | (45,306,647) | (52,132,457) | (52,159,384) | 0 |

# AUDITOR-CONTROLLER

**AUDITOR-CONTROLLER.....1110**

*MEREDITH FORD, Auditor-Controller*

## PROGRAM DISCUSSION

**Programs:** As the Chief Financial Officer of the County, the Auditor-Controller exercises general supervision over the accounting of all organizations under the control of the Board of Supervisors, as well as those special districts and school districts whose funds are maintained by the County Treasury. In addition to maintaining all basic financial information, the Auditor-Controller analyzes accounting reports, supplies fiscal information, and acts as financial counsel to the Executive Office and Board of Supervisors.

The Auditor-Controller’s duties include general receipting and disbursing of all County funds in the County Treasury, including payroll, claims against the County, and property tax allocations; assistance in the compiling and publication of the County’s Recommended and Final Budgets; budgetary control and monitoring; maintenance of property tax rolls; property tax rate calculations under Proposition 13; spending limit calculations under Proposition 4 (Gann Limit); financial compliance with the State Controller’s Office; internal operational audits of County departments and related organizations; audits of hotels and motels in the unincorporated areas of the County for compliance with the Transient Occupancy Tax ordinance; fiscal compliance of all grants maintained by the County; and preparation of the Countywide A-87 Cost Allocation Plan.

**Public Trust:** Provides accurate reports and information of the financial condition of the County to its citizenry.

**Practices:** Maintains the County’s funds in accordance with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB), and State Controller Accounting Standards and Procedures.

**People:** Supports existing staff in the application of County policies by encouraging effective communications with County departments and the public.

## MAJOR ACCOMPLISHMENTS IN F/Y 2008-09

**Programs:** Increased the use of the Munis System features to obtain better reports and maximize the limited resources available.

**Public Trust:** Provided accurate reports and information of the financial condition of the County to its citizenry.

**Practices:** Actively participated as a member of the County Budget Team assisting, compiling and preparing balanced Recommended and final budget documents.

**People:** Created a MUNIS users group for effective exchange of information regarding the use of the system.

## GOALS/OBJECTIVES FOR F/Y 2009-10

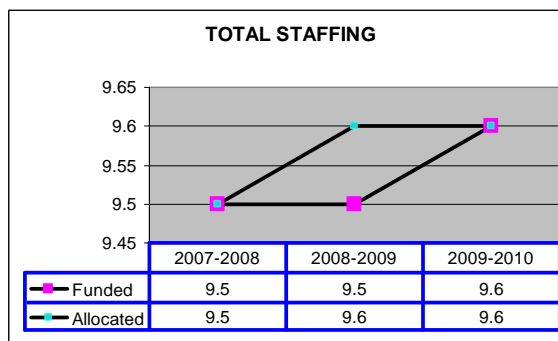
**Programs:** Develop a comprehensive annual financial report.

**Public Trust:** Provide accurate reports and information of the financial condition of the County to its citizenry.

**Practices:** Assist the Executive Office in compiling the Recommended and final adopted budgets.

**People:** Assist County departments in the effective use of the tools built into the MUNIS payroll/finance system.

## STAFFING CHART

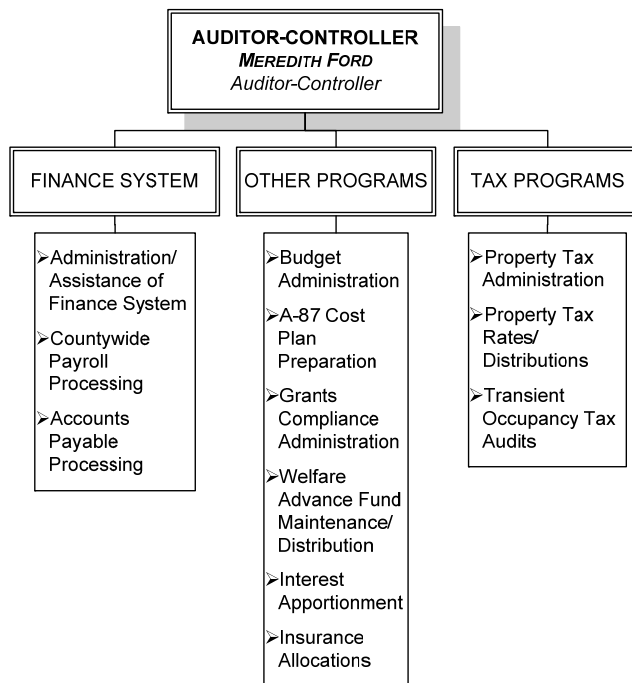


# AUDITOR-CONTROLLER

**AUDITOR-CONTROLLER..... 1110**

*MEREDITH FORD, Auditor-Controller*

**PROGRAM CHART**



**SUMMARY OF MAJOR BUDGET ACCOUNTS**

**Salaries & Employee Benefits**

◇ Acct. 1011 Provides funding for increase of \$21,937 from prior year funding for salaries and benefits.

**Services & Supplies**

◇ Acct. 2150 Membership dues for County Auditor.

**Revenues**

- ◇ Acct. 6115 Provides for charges to special districts for levying benefit assessments onto the tax rolls.
- ◇ Acct. 6120 Provides for accounting services for various special districts and grants, and recoupment of administrative charges for the supplemental tax roll processing.
- ◇ Acct. 6121 Fees for audit services to grants.
- ◇ Acct. 7700 Proceeds from stale dated trust accounts.

**CEO RECOMMENDED BUDGET COMMENTS**

The CEO recommends funding as submitted by the Department. This budget provides funding for 9.6 FTE positions. Elected official salary and benefits reduced by 10%.

# AUDITOR-CONTROLLER

**AUDITOR-CONTROLLER.....1110**

*MEREDITH FORD, Auditor-Controller*

State Controller  
County Budget Act  
(1985)

County of Mendocino  
State of California  
Budget Unit Financing Uses Detail  
Recommended Budget for Fiscal Year 2009-10

County Budget Form  
Schedule 9

Classification:

Function: 1 General Government

Budget Unit: 1110 Auditor-Controller

Activity: 101 General - Legislative & Administrative

Fund: 1100 County General

| Financing Uses Classification | 2007-08<br>Budget | 2007-08<br>Actuals | 2008-09<br>Budget | 2008-09<br>Actuals | 2009-10<br>Request | 2009-10<br>Recommend | 2009-10<br>Adopted |
|-------------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|----------------------|--------------------|
| (1)                           | (2)               | (3)                | (4)               | (5)                | (6)                | (7)                  | (8)                |

as of 5/31/09

**Salaries & Employee Benefits**

|  |                |                |                |                |                |                |          |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------|
| 861011 Regular Employees                     | 576,755        | 595,608        | 609,925        | 519,375        | 569,571        | 636,068        |          |
| 861013 Overtime Reg Emp                      | 0              | 268            | 0              | 165            | 0              | 0              |          |
| 861021 Co Cont Retirement                    | 76,230         | 66,866         | 71,611         | 62,816         | 62,574         | 62,574         |          |
| 861022 Co Cont OASDI                         | 34,258         | 32,336         | 34,875         | 27,648         | 31,753         | 31,753         |          |
| 861023 Co Cont Medicare                      | 8,173          | 8,217          | 8,079          | 7,060          | 8,123          | 8,123          |          |
| 861024 Co Cont Retire Incr                   | 32,007         | 26,894         | 30,311         | 26,706         | 23,352         | 23,352         |          |
| 861030 Co Cont Health Ins                    | 75,587         | 77,233         | 82,350         | 70,008         | 95,578         | 95,578         |          |
| 861031 Co Cont Unemp Ins                     | 496            | 496            | 328            | 328            | 328            | 515            |          |
| 861035 Co Cont Workers Comp                  | 3,075          | 3,075          | 1,838          | 1,838          | 1,838          | 3,291          |          |
| <b>Total Salaries &amp; Employee Benefit</b> | <b>806,581</b> | <b>810,994</b> | <b>839,317</b> | <b>715,946</b> | <b>793,117</b> | <b>861,254</b> | <b>0</b> |

**Services & Supplies**

|                                      |               |               |               |               |               |               |          |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|
| 862060 Communications                | 3,500         | 2,811         | 3,000         | 2,365         | 3,000         | 3,000         |          |
| 862101 Insurance - General           | 2,115         | 2,115         | 2,118         | 2,118         | 2,118         | 1,891         |          |
| 862120 Maint - Equip                 | 3,000         | 636           | 2,000         | 0             | 2,000         | 2,000         |          |
| 862150 Memberships                   | 300           | 475           | 300           | 0             | 300           | 300           |          |
| 862170 Office Expense                | 38,000        | 23,259        | 38,000        | 27,065        | 38,000        | 38,000        |          |
| 862171 Paper Supplies                | 2,200         | 2,771         | 2,200         | 1,664         | 2,200         | 2,200         |          |
| 862187 Education & Training          | 0             | 0             | 0             | 100           | 0             | 0             |          |
| 862190 Publ/Legal Notice             | 100           | 0             | 100           | 0             | 100           | 100           |          |
| 862239 Spec Dept Expense             | 500           | 0             | 200           | 0             | 200           | 200           |          |
| 862250 Trans/Travel                  | 2,000         | 2,059         | 1,500         | 2,386         | 2,000         | 2,000         |          |
| 862253 Travel Out of County          | 2,000         | 554           | 1,500         | 1,017         | 1,000         | 1,000         |          |
| <b>Total Services &amp; Supplies</b> | <b>53,715</b> | <b>34,680</b> | <b>50,918</b> | <b>36,715</b> | <b>50,918</b> | <b>50,691</b> | <b>0</b> |

**Other Charges**

|                            |          |             |          |               |          |          |          |
|----------------------------|----------|-------------|----------|---------------|----------|----------|----------|
| 863340 Taxes/Assmnts       | 0        | (34)        | 0        | 12,246        | 0        | 0        |          |
| <b>Total Other Charges</b> | <b>0</b> | <b>(34)</b> | <b>0</b> | <b>12,246</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**Fixed Assets**

|                           |          |          |          |          |          |          |          |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| 864370 Equipment          | 0        | 0        | 0        | 0        | 0        | 0        |          |
| <b>Total Fixed Assets</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**Total Net Appropriations**

|  |         |         |         |         |         |         |   |
|--|---------|---------|---------|---------|---------|---------|---|
|  | 860,296 | 845,640 | 890,235 | 764,906 | 844,035 | 911,945 | 0 |
|--|---------|---------|---------|---------|---------|---------|---|

# AUDITOR-CONTROLLER

**AUDITOR-CONTROLLER.....1110**

*MEREDITH FORD, Auditor-Controller*

| Financing Uses Classification | 2007-08<br>Budget | 2007-08<br>Actuals | 2008-09<br>Budget | 2008-09<br>Actuals | 2009-10<br>Request | 2009-10<br>Recommend | 2009-10<br>Adopted |
|-------------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|----------------------|--------------------|
| (1)                           | (2)               | (3)                | (4)               | (5)                | (6)                | (7)                  | (8)                |

as of 5/31/09

|                              |                |                |                |                |                |                |          |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|
| Less: Revenues               |                |                |                |                |                |                |          |
| 825398 SB90 Reimb            | 700            | 0              | 0              | 0              | 0              | 0              |          |
| 826115 Debt Service Fee      | 95,000         | 100,704        | 100,000        | 98,390         | 110,000        | 110,000        |          |
| 826120 Accounting Fee        | 263,100        | 279,636        | 265,000        | 163,325        | 200,000        | 200,000        |          |
| 826121 Audit Fee             | 5,500          | 7,160          | 7,000          | 7,160          | 7,200          | 7,200          |          |
| 826390 Other Charges         | 2,000          | 1,722          | 2,000          | 4,063          | 4,500          | 4,500          |          |
| 827600 Other Sales           | 300            | 404            | 400            | 470            | 400            | 400            |          |
| 827700 Other                 | 2,000          | 24             | 1,000          | 18             | 100            | 100            |          |
| 827703 Cancel Outlawed Warr  | 11,000         | 15,166         | 12,000         | 18,528         | 19,000         | 19,000         |          |
| 827802 Oper Transfer In      | 650            | 650            | 650            | 650            | 650            | 650            |          |
| <b>Total Revenues</b>        | <b>380,250</b> | <b>405,465</b> | <b>388,050</b> | <b>292,604</b> | <b>341,850</b> | <b>341,850</b> | <b>0</b> |
| <br>                         |                |                |                |                |                |                |          |
| <b>Total Net County Cost</b> | <b>480,046</b> | <b>440,175</b> | <b>502,185</b> | <b>472,302</b> | <b>502,185</b> | <b>570,095</b> | <b>0</b> |

# AUDITOR-CONTROLLER

TEETER PLAN..... 1930

*MEREDITH FORD, Auditor-Controller*

## PROGRAM DISCUSSION

**History:** In the 1940s, the Contra Costa County Auditor-Controller, Desmond Teeter, Recommended an alternate method of tax apportionment. His idea was expanded and incorporated in Revenue and Taxation Code (R&T Code) Sections 4701 through 4722 in 1949. This alternate method is now commonly referred to as the Teeter Plan.

The Teeter Plan allows counties to allocate some of its property taxes to taxing jurisdictions at 100% of the billed amount rather than actual tax collections. The County apportions these levies to all taxing jurisdictions although 100% of the taxes have not yet been collected. The County collects and retains all future delinquent tax payments, penalties and interest.

Only five counties originally adopted the Teeter Plan. In fiscal year 1993-94, the State offered an incentive to counties to adopt the Teeter Plan. The incentive allowed counties opting into the Teeter Plan at that time to receive a one-time credit known as the Teeter credit (R&T Code Section 97.3(a)(5)). The Teeter credit allowed Mendocino County to reduce its Education Revenue Augmentation Fund (ERAF) obligation in 1993-94 by more than \$2 million.

**Teeter Plan Repayment:** At the time Mendocino County opted into the Teeter Plan, the property tax delinquency amounted to \$5.4 million. This amount was paid out to all taxing jurisdictions with funds borrowed from the County Treasury. The payments on this note were to be made from the collections of the delinquent taxes, along with the penalties and interest thereon. Instead, the delinquent tax revenues were applied to the county's general fund, with periodic payments made when funds were available. This practice caused the balance owing on the Teeter obligation to increase over the years with the addition of each year's tax delinquency, although the interest on the balance has been paid annually. In recent years, the county has attempted to make accelerating payments on the Teeter obligation, but the funds have not always been available to do so. The recent economical downturn also shows in the increased delinquency amounts added each year, especially in 2006-07 and 2007-08. The balance on the Teeter obligation as of June 30, 2008, is \$11,243,824.

In 2008-09 revenues from delinquent tax, penalties and interest payments will be credited directly to the Teeter obligation, although a significant portion of those collections will be used to pay the interest that continues to accrue on the outstanding balance.

On the next page is a chart on the Teeter Receivable Note (Tax Loss Reserve Fund) activity since inception:

# AUDITOR-CONTROLLER

**TEETER PLAN..... 1930**

*MEREDITH FORD, Auditor-Controller*

**TEETER RECEIVABLE NOTE-TAX LOSS RESERVE FUND**  
**Acct 2110-760335 and 2110-760336 (per Auditor worksheet)**

| DATE                  | DESCRIPTION                                      | DELINQUENCY<br>BILLED | PRINCIPAL<br>PAYMENT | ADJUST-<br>MENTS | BALANCE      |
|-----------------------|--|-----------------------|----------------------|------------------|--------------|
| 11-01-93              | Original Buy Out                                 | (5,426,949)           |                      |                  | (5,426,949)  |
| 06-30-93              | Payoff 1st year                                  | -                     | 1,080,000            | -                | (4,346,949)  |
| 06-30-94              | Principal payment and Delinquency recorded 93-94 | (1,952,725)           | 1,080,000            | -                | (5,219,674)  |
| 06-30-95              | Principal payment and Delinquency recorded 94-95 | (1,871,256)           | 1,080,000            | -                | (6,010,930)  |
| 06-30-96              | Principal payment and Delinquency recorded 95-96 | (1,782,788)           | 1,080,000            | -                | (6,713,718)  |
| 06-30-97              | Principal payment and Delinquency recorded 96-97 | (1,751,508)           | 1,080,000            | -                | (7,385,226)  |
| 06-30-98              | Principal payment and Delinquency recorded 97-98 | (1,804,064)           | -                    | -                | (9,189,290)  |
| 05-01-99/<br>06-30-99 | Principal payment and Delinquency recorded 98-99 | (1,611,403)           | 1,450,000            | -                | (9,350,693)  |
| 06-30-00              | Principal payment and Delinquency recorded 99-00 | (1,639,402)           | 1,800,000            | 650,000          | (8,540,095)  |
| 06-30-01              | Principal payment and Delinquency recorded 00-01 | (2,029,127)           | 1,700,000            | -                | (8,869,222)  |
| 06-30-02              | Principal payment and Delinquency recorded 01-02 | (2,255,203)           | 1,850,000            | -                | (9,274,425)  |
| 06-30-03              | Principal payment and Delinquency recorded 02-03 | (1,741,102)           | 1,850,000            | -                | (9,165,527)  |
| 06-30-04              | Principal payment and Delinquency recorded 03-04 | (1,892,745)           | 1,950,000            | -                | (9,108,272)  |
| 06-30-05              | Principal payment and Delinquency recorded 04-05 | (2,060,245)           | 2,050,000            | -                | (9,118,517)  |
| 06-30-06              | Principal payment and Delinquency recorded 05-06 | (2,064,009)           | 2,150,000            | 324,000          | (8,708,526)  |
| 06-30-07              | Principal payment and Delinquency recorded 06-07 | (3,279,878)           | 2,250,000            | 513,353          | (9,225,051)  |
| 06-30-08              | Principal payment and Delinquency recorded 07-08 | (4,338,773)           | 2,320,000            | -                | (11,243,824) |
| 06-30-09              | Projected Principal payment and Delinquency      | (4,030,000)           | 4,030,000            | -                | (11,243,824) |

**SUMMARY OF MAJOR BUDGET ACCOUNTS**

***Other Charges***

- ◇ Acct. 3310 Provides for interest on total liability based on total levy  
\* Interest charge for the Teeter Plan is budgeted at \$1,000,000 for 2009-10
- ◇ Acct. 3311 Provides for anticipated delinquencies on total tax levy for 2009-10

***Revenues***

- ◇ Acct. 1210 Provides for revenue from prior secured property tax.
- ◇ Acct. 1400 Provides for revenue from penalties on delinquencies on property taxes.

**CEO RECOMMENDED BUDGET COMMENTS**

The CEO recommends funding as submitted by the Department. As part of a Board priority this year, an additional General Fund contribution was included to assist in paying down this debt liability for \$769,204.

# AUDITOR-CONTROLLER

**TEETER PLAN..... 1930**

*MEREDITH FORD, Auditor-Controller*

State Controller  
County Budget Act  
(1985)

County of Mendocino  
State of California  
Budget Unit Financing Uses Detail  
Recommended Budget for Fiscal Year 2009-10

County Budget Form  
Schedule 9

Classification:

Function: 1 General Government

Budget Unit: 1930 Teeter Plan Debt Service

Activity: 101 General - Legislative & Administrative

Fund: 1100 County General

| Financing Uses Classification | 2007-08<br>Budget | 2007-08<br>Actuals | 2008-09<br>Budget | 2008-09<br>Actuals | 2009-10<br>Request | 2009-10<br>Recommend | 2009-10<br>Adopted |
|-------------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|----------------------|--------------------|
| (1)                           | (2)               | (3)                | (4)               | (5)                | (6)                | (7)                  | (8)                |

as of 5/31/09

Other Charges

|                  |           |           |           |         |           |           |  |
|------------------|-----------|-----------|-----------|---------|-----------|-----------|--|
| 863310 Interest  | 650,000   | 1,026,692 | 1,000,000 | 372,678 | 500,000   | 500,000   |  |
| 863311 Principal | 1,850,000 | 2,320,000 | 3,030,000 | 0       | 3,560,000 | 4,329,204 |  |

|                     |           |           |           |         |           |           |   |
|---------------------|-----------|-----------|-----------|---------|-----------|-----------|---|
| Total Other Charges | 2,500,000 | 3,346,692 | 4,030,000 | 372,678 | 4,060,000 | 4,829,204 | 0 |
|---------------------|-----------|-----------|-----------|---------|-----------|-----------|---|

|                          |                  |                  |                  |                |                  |                  |          |
|--------------------------|------------------|------------------|------------------|----------------|------------------|------------------|----------|
| Total Net Appropriations | <u>2,500,000</u> | <u>3,346,692</u> | <u>4,030,000</u> | <u>372,678</u> | <u>4,060,000</u> | <u>4,829,204</u> | <u>0</u> |
|--------------------------|------------------|------------------|------------------|----------------|------------------|------------------|----------|

Less: Revenues

|                               |   |   |           |           |           |           |  |
|-------------------------------|---|---|-----------|-----------|-----------|-----------|--|
| 821210 Prior Secured Prop Tax | 0 | 0 | 3,000,000 | 2,668,111 | 3,200,000 | 3,200,000 |  |
| 821400 Pen/Cost on Delinq Tax | 0 | 0 | 830,000   | 728,699   | 860,000   | 860,000   |  |

|                |          |          |                  |                  |                  |                  |          |
|----------------|----------|----------|------------------|------------------|------------------|------------------|----------|
| Total Revenues | <u>0</u> | <u>0</u> | <u>3,830,000</u> | <u>3,396,810</u> | <u>4,060,000</u> | <u>4,060,000</u> | <u>0</u> |
|----------------|----------|----------|------------------|------------------|------------------|------------------|----------|

|                       |                  |                  |                |                    |          |                |          |
|-----------------------|------------------|------------------|----------------|--------------------|----------|----------------|----------|
| Total Net County Cost | <u>2,500,000</u> | <u>3,346,692</u> | <u>200,000</u> | <u>(3,024,131)</u> | <u>0</u> | <u>769,204</u> | <u>0</u> |
|-----------------------|------------------|------------------|----------------|--------------------|----------|----------------|----------|

# AUDITOR-CONTROLLER

MISCELLANEOUS.....1940

*MEREDITH FORD, Auditor-Controller*

## PROGRAM DISCUSSION

**Programs:** This budget unit accounts for costs not associated with any one particular County department.

Tax and Revenue Anticipation Notes (TRANS): Accounting for the cash proceeds and related costs of the County's annual short term (one year) borrowing of cash funds through a financing vehicle known as Tax and Revenue Anticipation Notes. The purpose of this annual borrowing is to facilitate the periodic cash flow needs of the County during its "dry period" (i.e. before receipt of property taxes and other tax revenues). Funds are borrowed at low tax-exempt rates at the beginning of each fiscal year and reinvested (before they are spent) at

rates generally in excess of their cost. The net interest earnings are known as "arbitrage".

Non-Assignable Costs: The Miscellaneous budget also serves as a "catch-all" for costs that are not assignable to any other specific budget unit or department. The major cost elements within this budget include general legal expenses, judgment and damages claims not payable from insurance reserves, employee education, training benefits pursuant to existing negotiated memoranda of understanding, vacation "buyouts" pursuant to memoranda of understanding, non-assignable medical costs as well as general liability insurance premium costs.

## SUMMARY OF MAJOR BUDGET ACCOUNTS

### *Salaries & Employee Benefits*

✧ Acct. 1011 Provides for vacation in-lieu buyout pursuant to MOU.

### *Services & Supplies*

✧ Acct. 2181 Provides for audit for County financials.

✧ Acct. 2183 Provides for outside legal counsel, including Redevelopment issues - \$5,000.

✧ Acct. 2187 Provides for management training/wellness program costs pursuant to MOU.

✧ Acct. 2189 Provides for TRANS costs of issuance, cable franchise consultancy, and unspecified projects.

✧ Acct. 2239 Provides for downtown employee parking permit fees paid to the City of Ukiah.

### *Other Charges*

✧ Acct. 3280 Provides funding to outside agencies. CEO recommendation of appropriation of general fund for Resource Conservation District for \$35,000. CEO recommendation to provide 50% of franchise fees received for FY 2009-10 \$113,000 for PEG Access, and LAFCO required payment for \$65,100.

✧ Acct. 3113 Provides for payment for Ukiah and Ft Bragg Courts Facilities Payment for a total of \$133,859, and first year payment of a 4 year amortization on the Southwest Border litigation settlement payment of \$425,369.

✧ Acct. 3310 Provides for projected interest costs of TRANS.

### *Revenues*

✧ Acct. 4100 Provides for interest earnings on TRANS.

## CEO RECOMMENDED BUDGET COMMENTS

The CEO recommends funding as submitted by the Department. Total increase in Net County Cost is \$313,064.



County of Mendocino  
**2009-10**  
*RECOMMENDED BUDGET*

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