

2008-09 ADOPTED BUDGET

READER'S GUIDE

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Introduction

As you review this Budget document, you will find it is divided into six major sections identified with tabbed dividers.

The first section, **Budget Overview**, provides high level summary information regarding the organization and the proposed budget. Subsections include an introduction to the structure of the *County Organization*, a *Financial Summary* that provides a high level summary of the more significant financial changes, *Key Initiatives and Issues* that highlight the major program changes, and the *Reader's Guide* to understanding the budget detail pages.

The next four sections, **Operating Budget**, **Capital Budget**, **Non-Operating Budget**, and **Service Districts**, provide the budget detail pages for the County's hundred plus organization units. (An organization unit is a budgeting unit used to account for a group of related services or activities). A description of the type of information provided for each Organizational Unit is included in the "How to Read the Budget" section that follows the list of commonly asked questions presented below.

- The operating budget includes organization units that provide services directly to the community or to another part of the County organization. There are six subsections representing the major service areas for the County: *General Government*, *Public Safety & Justice*, *Land Use, Housing & Transportation*, *Health & Human Services*, *Culture, Education & Recreation*, and *Non-Departmental*. All County staff expenditures are accounted for in the operating budget.
- The capital budget includes those organization units that account for major

infrastructure improvements. There are two subsections, *Facilities and Technology*, and *Transportation*.

- The non-operating budget includes organization units that are essential to the County's operations but do not provide direct services. The four subsections include *Debt and Other Financing*, *Risk Management and Insurance*, *Replacement and Reserves*, and *Miscellaneous*.
- The service districts section includes the budgets for three service districts also under the authority of the Board of Commissioners. Each represents a separate governmental unit. These budgets are adopted separately and are excluded from the discussion and summary information for the County budget.

The final section, **Supplemental Information**, provides supporting information. *Summary Schedules and Trends* provides additional financial and staffing level summaries. *County Profile* provides general information about Washington County's geography and population. *Policies & Processes* offers an overview of the County's budget process, debt obligations and fund structure, as well as County policies relative to the budget process. The final subsection is the *Glossary*, which provides definitions for key terms used throughout the document.

In addition to the main Summary document, the adopted budget also includes two additional documents that present the budget at the line-item detail level. The **Organization Unit Budget Detail** document presents this information at the organization unit and fund level, while the **Program Budget Detail** presents it at the program level. Both documents are laid out in similar sequence to the Summary document.

Commonly Asked Questions

Q. YOUR BUDGET CONTAINS A LOT OF INFORMATION. HOW CAN I QUICKLY FIND SUMMARY INFORMATION?

A. The Financial Summary, included in the Budget Overview, provides a broad analysis of the County's total budget, including a discussion of the use of discretionary resources (the General fund subsidy). The Key Issues/Initiatives section, also included in the Budget Overview, identifies key issues addressed in the budget by functional areas. This analysis is separated into the three County budget groupings: Operating, Capital and Non-Operating.

Q. I NOTICE THAT EACH ORGANIZATIONAL UNIT HAS SUMMARY INFORMATION BY PROGRAM. HOW CAN I GET MORE DETAILED EXPENDITURE INFORMATION?

A. The County Administrative Office prepares two companion budget documents that contain line-item detail. The first document, entitled **Organization Unit Budget Detail**, contains line item information on expenditures and revenues, as well as personal services detail, by Organizational Unit. The second companion document – entitled **Program Budget Detail** – represents the lowest level of budget detail. It contains line item detail by Program. Both of these documents are primarily intended for staff use, but copies can be requested through the County Administrative Office.

Q. HOW CAN I QUICKLY FIND THE LOCATION OF INFORMATION PERTAINING TO SPECIFIC ORGANIZATIONAL UNITS?

A. The Table of Contents, located at the beginning of the document, lists all Organizational Units by functional area and in the order in which they appear in this document.

Q. I NOTICE THAT IN SOME CASES ORGANIZATIONAL UNITS CORRESPOND TO COUNTY DEPARTMENTS, BUT IN OTHER CASES THEY DO NOT. WHAT IS THE RELATIONSHIP BETWEEN ORGANIZATIONAL UNITS AND THE COUNTY'S DEPARTMENTS AND OFFICES?

A. Organizational Units are budget categories, used to group expenditures related to specific services or activities together. At Washington County, appropriations are made at the Organizational Unit level. (Under state law, expenditures in a given year cannot exceed the amount appropriated.) Departments and Offices, on the other hand, are administrative units of the County. Expenditures for a particular Department or Office could be budgeted in one Organizational Unit or in multiple Organizational Units.

Q. WHAT IS THE "GENERAL FUND SUBSIDY", AND WHY IS IT THE PRIMARY FOCUS OF THE COUNTY' BUDGET?

A. The General Fund subsidy refers to the amount of discretionary resources allocated to specific programs or activities. Discretionary resources are those resources that are not dedicated or earmarked to fund a particular program. Rather, they can be spent at the discretion of the Budget Committee and Board of Commissioners. Discretionary resources include the money in the General Fund's beginning balance and reserves as well as certain revenue sources such as the County's property

tax base and other general purpose taxes. The General Fund subsidy is the primary focus of the County's budget because it is the only money that the Budget Committee and Board can allocate based entirely on local priorities. The County 2000 Plan, approved by the Board, describes those priorities.

Q. WHERE CAN I FIND DEFINITIONS OF OTHER WORDS AND TERMS USED IN THIS DOCUMENT?

- A. A Glossary containing many of the key words and terms used in the budget is located at the end of this document.

How to Read the Budget

The main focus of this budget document is to provide concise and understandable information. Even so, the complexities of public finance and state law require that information be presented in such a manner that those not familiar with the budget process may be confused. This section, using a typical budget as an example, will provide some explanation. The following numbered paragraphs relate to the numbers on the attached example.

1. Service Programs are those activities within an organization unit that can be segregated cost wise from each other. The information provided includes appropriations or actual expenditures allocated or spent to perform that specific program. The amount requested is from the County departments. The amount proposed is that which the County Administrator recommends. Approved is the amount the Budget Committee approves. The Adopted column indicates the amount finally adopted by the Board of Commissioners for that specific organizational unit.
2. Funding Sources are the resources the organization relies upon to offset its expenditures. Funding sources for a general fund organization unit is reflected as departmental revenues, whereas, the funding sources for a special fund organization unit are comprised of three elements: departmental revenues, general fund transfer, and beginning balance. Departmental revenues are those revenues that are directly attributable to the department's activities. Beginning fund balance represents unspent funds from the previous year.
3. General Fund Amount Required to Balance also referred to as General Fund transfer or subsidy is the primary focus of this document. It is the Board of Commissioner's policy that departments continually strive to reduce this figure, as the primary source of this General Fund amount is property tax.
4. Permanent Positions is the maximum staffing level authorized by the Board of Commissioners. In some cases, a fraction may appear (i.e. 2.5). The fraction indicates a portion of a Full Time Equivalent (FTE) position. For example, a position may be requested to start in January of the fiscal year or six of the twelve months. Or a position may be requested for four hours of an eight-hour day year round. Each of these requests would be listed as .5 of a position.
5. Purpose Statement describes the overall function of the organizational unit.
6. Service Program Description is the verbal description of the program information indicated at the top of the budget detail.

7. County Administrator's Analysis is a written interpretation of the various stages of the budget process: requested, proposed, approved and adopted. Typically, the analysis will include program changes and significant changes in the various elements of the budget (i.e. personnel costs, materials and services, fixed assets, revenues). The Highlights of Administrator's Recommendation section is self-explanatory. Unresolved Policy Issues include any budget issues the County Administrator and the department head were unable to agree upon. And, finally, comments under this heading include an explanation of the changes if any, that were made at the Approved (Budget Committee) and Adopted (Board of Commissioners) stages of the budget process.
8. Approved Budget is an explanation of any changes to the County Administrator's proposed budget that were approved by the Budget Committee. If there are no comments under this heading, no changes were made to this budget unit.
9. Adopted Budget is an explanation of any changes to the Budget Committee's Approved Budget that were adopted by the County Board of Commissioners. If there are no comments under this heading, no changes were made to this budget unit except for the possibility of a salary adjustment.