

An American flag is flying on a tall, silver flagpole against a clear blue sky. The flagpole has a gold-colored globe on top. The flag is waving in the wind, showing the stars and stripes. The background is a solid, bright blue sky.

TRINITY COUNTY AUDITOR-CONTROLLER

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Property Tax Information:

1. Proposition 13 – Enacted in 1978 – Prior to passage, property tax rates throughout California averaged a little less than 3% of market value. Additionally, there were no limits on increases for the tax rate or on individual ad valorem charges (“Ad Valorem” refers to taxes based on the assessed value of property.)

Proposition 13 initiated sweeping changes to the California property tax system, but as far as the effects in the Auditor’s Office process, it capped the ad valorem tax rate at 1% of assessed values. This does not include additional rates for voter approved bonds, if your parcel resides in that specific tax rate area.

2. Proposition 4 – sponsored by Paul Gann. In November 1979, California voters passed Proposition 4, also known as Gann Limits, adding Article XIII B to the State Constitution and thereby establishing limits on tax proceeds.

Annually the State and each local agency that receives taxes is required to calculate an appropriation limit, which the governing board must adopt. During FY 2017/18 Trinity County’s remaining appropriation capacity is \$14,784,982 (legally taxable, but not imposed.) County Resolution# 2018-013 was adopted March 6, 2018.

3. For every dollar a citizen pays in property taxes to the County, it is distributed as follows:

- i. County = \$0.32 cents
- ii. Schools= \$0.64 cents
- iii. Special Districts \$0.04 cents

4. The Auditor-Controller is responsible for various aspects of the property tax process. This includes:

- i. Calculating Tax Rates
- ii. Calculating AB8 Factors
- iii. Processing Secured, Unsecured & Supplemental Rolls extended by Assessor
- iv. Loading assessments from Special Districts and Solid Waste
- v. Balancing five property tax rolls between Tax Collector & Auditor

- vi. Apportioning Property Taxes to the County, Schools & Special Districts
- vii. Processing Board Changes & Prior year assessments not billed which are received from the Assessor or Tax Collector
- viii. Completing all State reporting requirements (HOPTR, ERAF, Community Schools, Annual Property Tax Report, etc.)

General Fund Information:

1. Governmental Accounting is also referred to as “Fund Accounting.” If you imagine each fund as a separate checking account, it might be easier to understand.
2. There are forty one (41) departments that reside in the General Fund (General Fund Checking Account). This does not account for the one (1) department for General Fund Discretionary dollars.
3. General Fund departments do not bring in sufficient revenue streams to cover their department’s expenditures. This makes them reliant upon the General Fund Discretionary Department.
4. General Fund Discretionary dollars are comprised of the following and remain **flat lined** over the past 6 years:

i. Property Tax Revenue	\$7,260,300	75%
ii. TOT Tax	\$ 175,000	2%
iii. Sales Tax	\$1,200,000	12%
iv. Other Revenues	<u>\$1,028,728</u>	<u>11%</u>
	\$9,664,028	100%

5. Budget packets are sent out to departments annually normally during April. The packet consists of “known” information that is valuable in establishing the most accurate budget. For example, PERS Rates, LIUNA Rates, Indirect Costs, Workers Comp, Etc.

6. Departments prepare their annual budgets using both the information provided in the packet and their own knowledge. The budgets they submit include not only their estimated expenditures but also their estimated revenues for the year.

7. During FY 2017/18, the General Fund Departmental Requested budgets submitted were as follows:

i. Total budgeted for expenditure =	\$ 28,481,415
ii. Total budgeted for revenues =	\$ <u>15,771,162</u>
iii. Shortage	\$-12,710,253

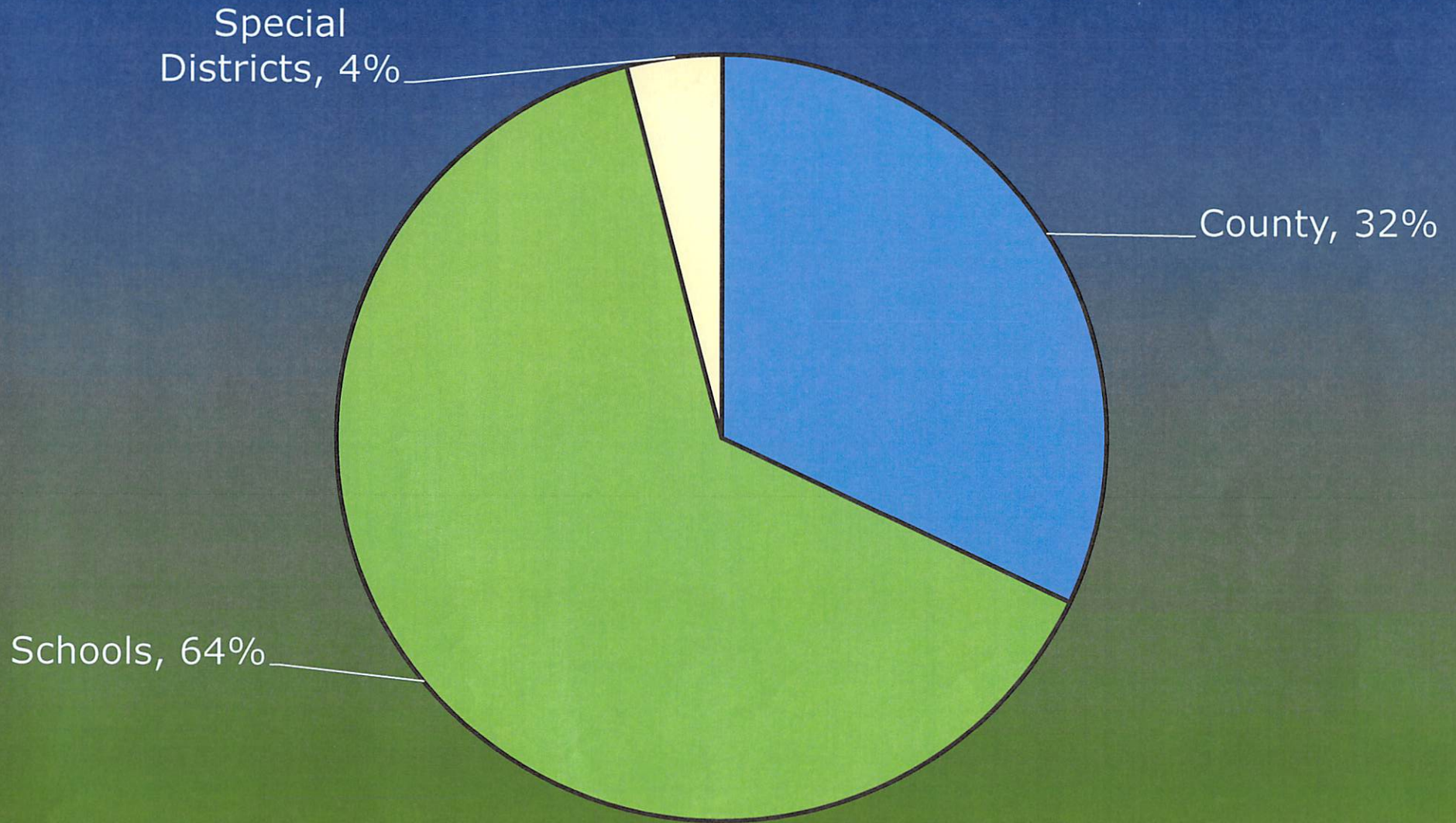
8. As you can see in item seven (7), and as stated above, General Fund departments are “**DEPENDENT**” upon the revenues derived from the Discretionary funds.

9. In the absence of a CAO, who is the budget officer for the County, a budget committee was developed. The committee was comprised of two members of the Board of Supervisors, Consultant, Interim CAO, Auditor and fiscal staff of the Administration Office. Through all the efforts of meeting with each department and reviewing their plans, the committee determined how much each department had to cut based on expected resources (revenues). The total amount cut from all General Fund Departments was \$650,150.

In closing, General Fund Departments are all dependent on Discretionary funds to cover their expenditures. However with these revenues remaining flat lined and expenditures continue to increase every year, deeper cuts to departments will be occurring. This will have an adverse effect on the citizens of Trinity County. We are already aware of the increase in expenditures associated with retirement, implementation of the Class & Compensation, and just the normal everyday costs of doing business. The County is in the beginning stages of refinancing the 2005 Certificate of Participation, which, due to decreased interest expense, will free up some of the revenue to apply to other expenses in the General Fund.

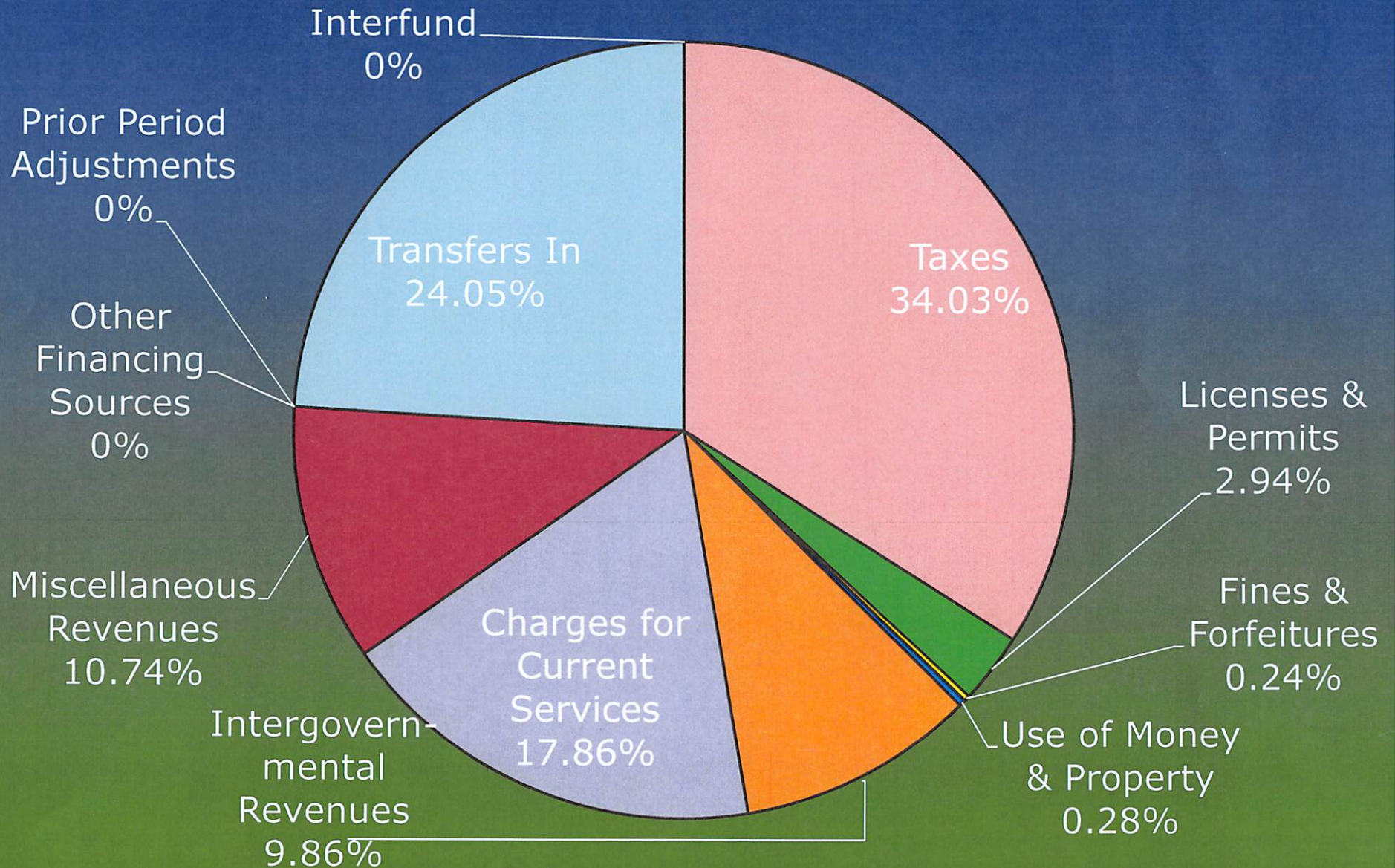
However, unless other major steps are taken to increase the General Fund Discretionary Revenues, increasing tourism, economic development, a Sales Tax increase to fund Public Protection, increasing TOT tax rates, this County will have to reduce services that are funded through General Fund dollars.

Property Tax Apportionment

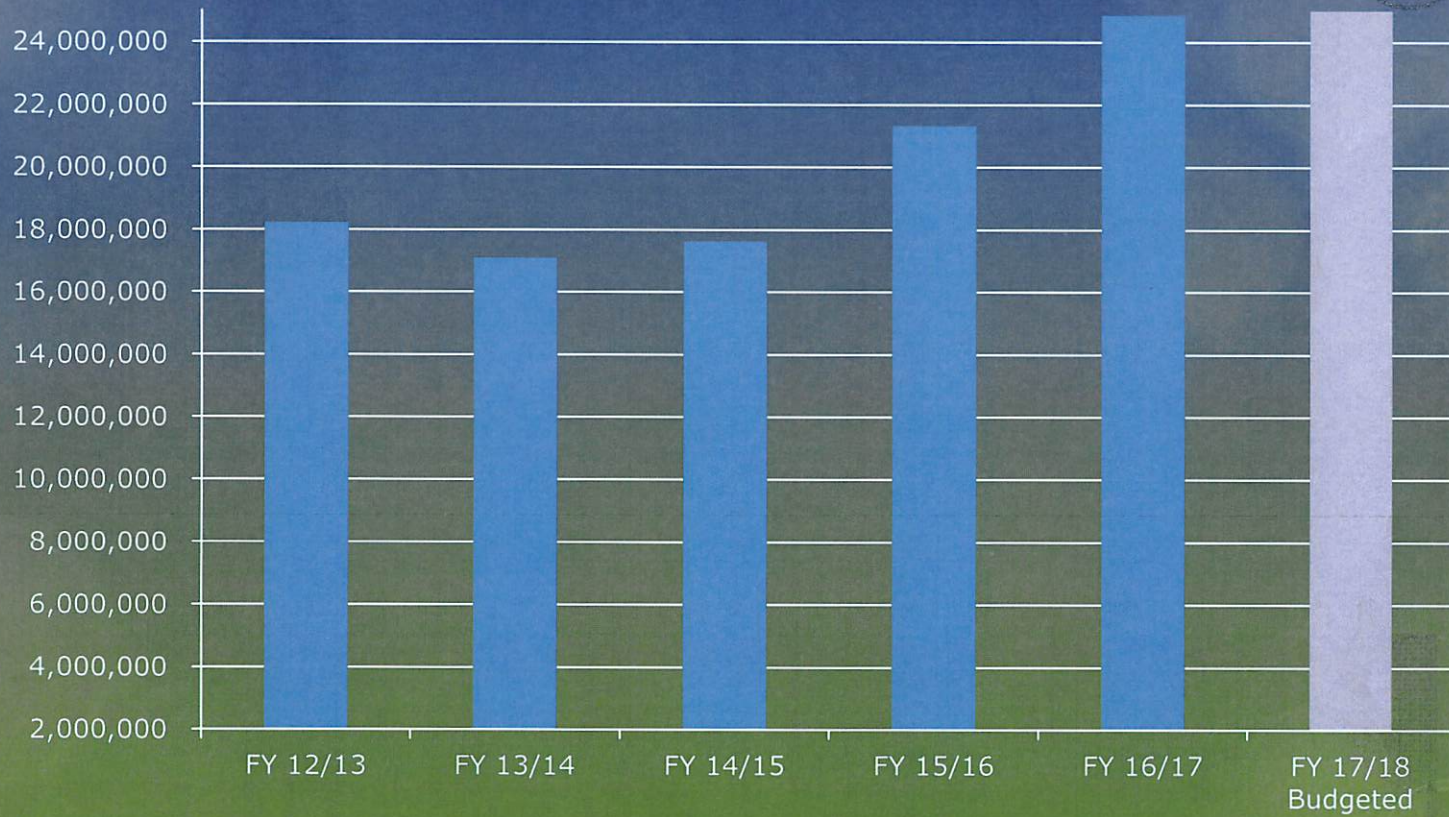


General Fund Revenue

\$25,775,028



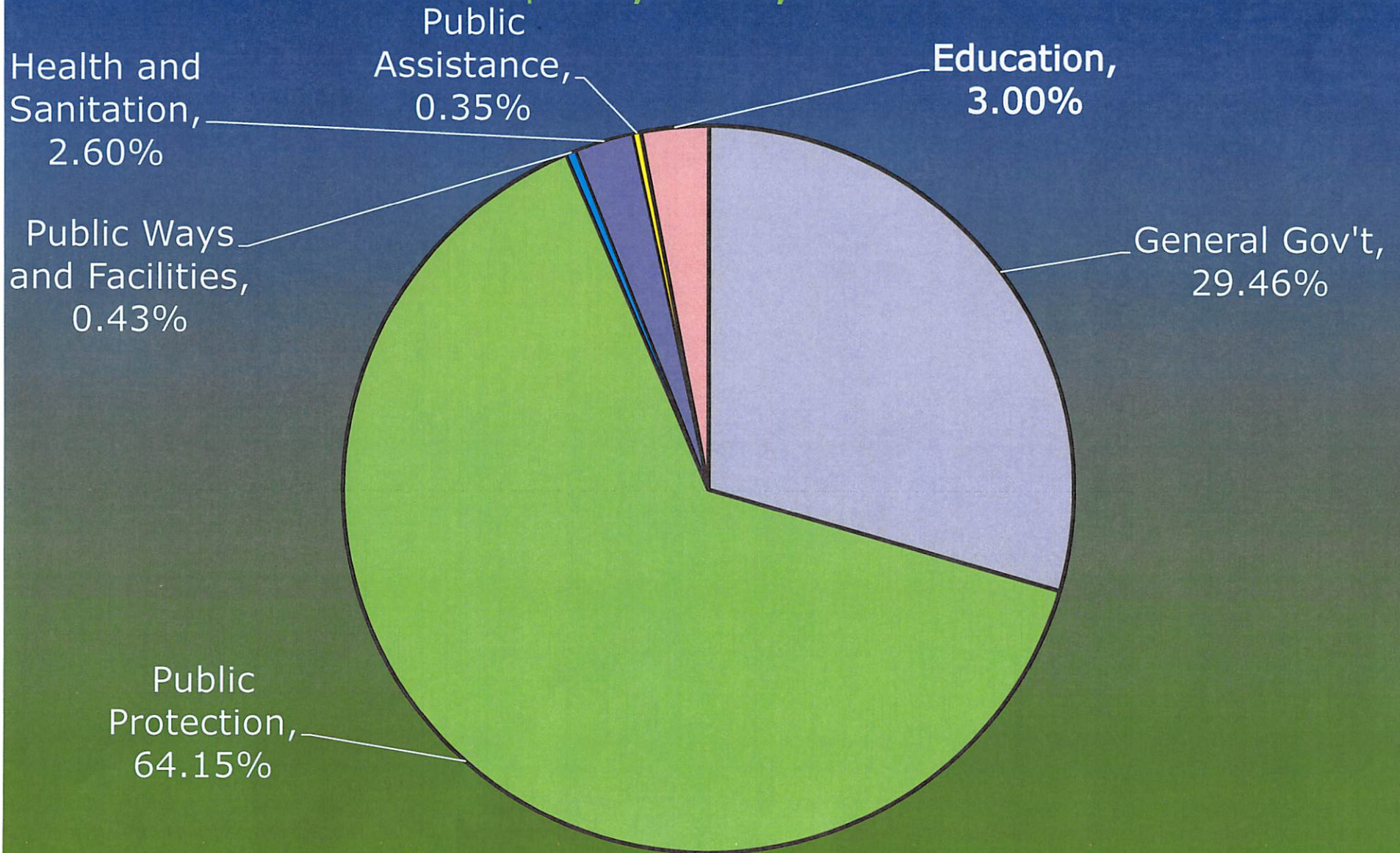
General Fund Revenue - Five Year Trends (as of 08/23/2017)



**FY 2017/18 Percentage of the Budget Committee Recommended
General Fund Contribution by Department**

Department		FY 2017/18 General Fund Contribution	FY 2017/18 Department Percentage of GF Contribution	
2490	AG	Agricultural Commissioner	107,660	0.923%
1400	ASSR	Assessor	311,926	2.675%
1650	ASSR	Elections Department	215,230	1.846%
2500	ASSR	Clerk/Recorder	4,674	0.040%
1000	AUD	General Fund	2,000	0.017%
1101	AUD	County Audit	9,000	0.077%
1300	AUD	Auditor-Controller	179,681	1.541%
1500	AUD	Courts General	44,025	0.378%
1990	AUD	Contributions to Other Funds	1,315,598	11.282%
2170	AUD	Public Defender	549,425	4.712%
2600	AUD	LAFCO Contribution	7,060	0.061%
1050	CAO	Code Enforcement Settlement	(75,000)	-0.643%
1100	CAO	Board of Supervisors	472,627	4.053%
1200	CAO	CAO	68,878	0.591%
1600	CAO	County Counsel	106,325	0.912%
1750	CAO	General Services	275,608	2.363%
1940	CAO	Information Technology	47,788	0.410%
2050	CAO	Grand Jury	17,403	0.149%
2430	CAO	Fire Protection	21,290	0.183%
3300	CAO	Advertising County Resources	82,167	0.705%
5345	CAO	Commission on Aging	150	0.001%
6000	CAO	Library	326,307	2.798%
6200	COOP	TC Coop Extension 4H	24,064	0.206%
2100	DA	District Attorney	1,188,151	10.189%
1250	HR	Human Resources	204,261	1.752%
1890	HR	Insurance/Risk Management	76,200	0.653%
5090	HR	Veterans Services Officer	40,708	0.349%
4000	HUMN	Health Department	303,068	2.599%
1520	PROB	Collections - Delinquent	0	0.000%
2400	PROB	Probation Department	602,612	5.168%
2460	PROB	Juvenile Hall	353,225	3.029%
1910	PWD	Surveyor	48,178	0.413%
2480	PWD	Building & Development	42,889	0.368%
2800	PWD	Planning and Zoning	154,180	1.322%
3110	PWD	Misc. Public Works	50,500	0.433%
2110	SHER	Coroner	60,641	0.520%
2200	SHER	Sheriff	2,040,445	17.498%
2270	SHER	Search and Rescue	10,000	0.086%
2300	SHER	Jail	2,274,667	19.507%
2301	SHER	Jail Health	0	0.000%
2350	SHER	Animal Control	77,156	0.662%
1350	TC	Treasurer-Tax Collector	20,274	0.174%
Total		\$ 11,661,041	100.000%	
General Fund Revenue		\$ 9,664,028		
Difference (Funded by Cash Balance Forward)		\$ 1,997,013		

General Fund Discretionary Budget \$11,661,041



General Fund Discretionary

Trinity County 04/06/18 Budget vs. Actual Page 1
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GL Side GL-General Ledger CR-CAO REQUEST

SELECT ORGANIZATION KEY: 1000

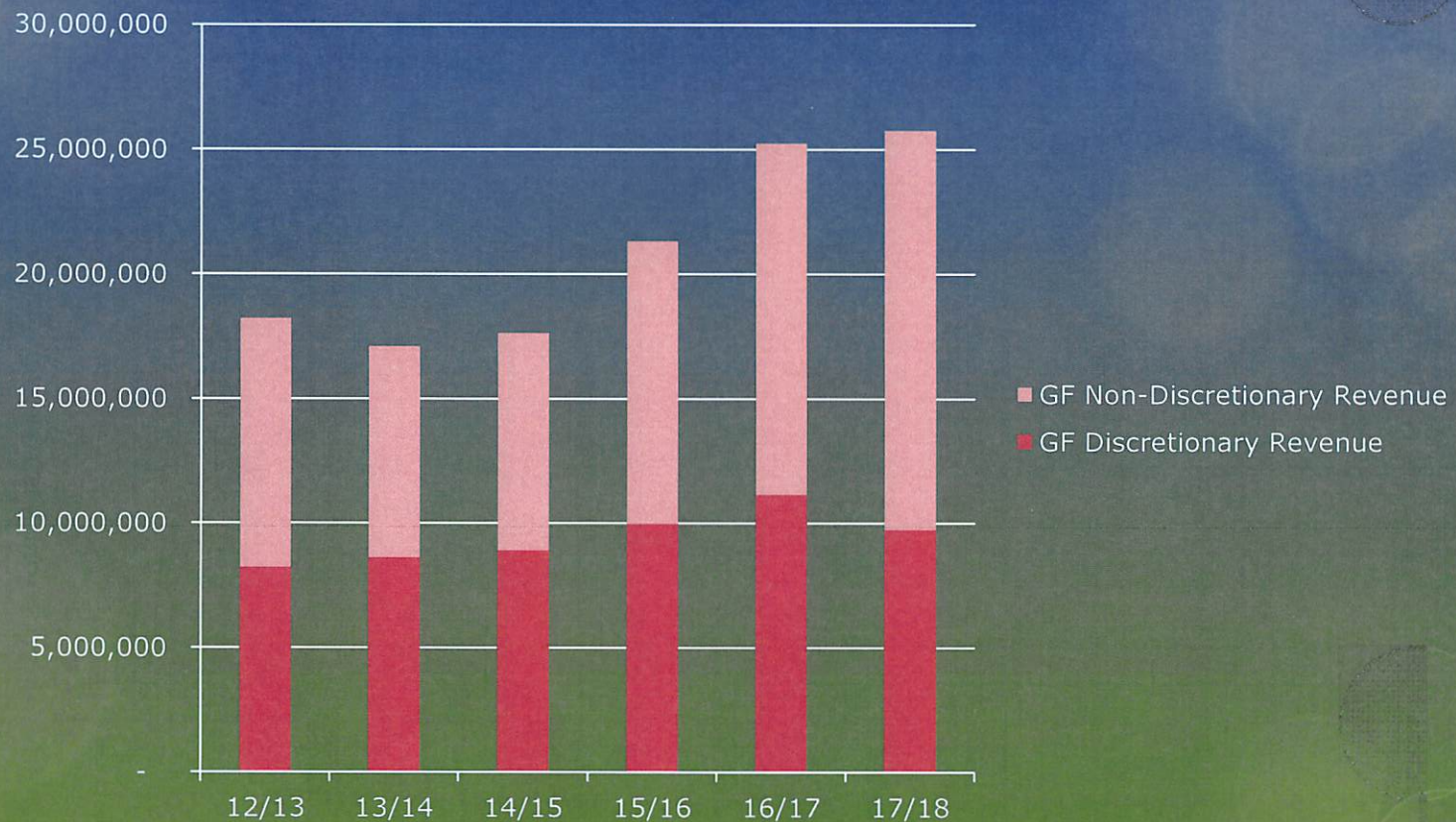
ORG KEY	Title	Director	FY Qt Pe
=====	=====	=====	== == ==
1000	GENERAL FUND	AUDITOR	17 04 4

ACCOUNT	Description	Budget	Actual	Encumbrance	Balance
=====	=====	=====	=====	=====	=====
0460	DEF REV UNEARNED	0.00	0.00	0.00	0
3350	INTEREST EXPENSE	2,000.00	1,883.78	0.00	116
6010	CURRENT SECURED	4,600,000.00	2,774,305.62	0.00	1,825,694
6020	CURRENT UNSEC	105,000.00	112,529.23	0.00	-7,529 OVR
6025	UNS AIRPLANE	2,800.00	3,192.76	0.00	-393 OVR
6030	PRIOR SECURED	400,000.00	122,982.59	0.00	277,017
6040	PRIOR UNSECURED	2,500.00	0.00	0.00	2,500
6060	SALES & USE TAX	1,200,000.00	911,068.85	0.00	288,931
6063	ERAF IN-LIEU OF	2,000,000.00	1,074,539.35	0.00	925,461
6070	TIMBER YIELD TAX	80,000.00	69,192.62	0.00	10,807
6081	HOTEL TAX	175,000.00	201,412.50	0.00	-26,413 OVR
6090	SUPPL TAX CURRNT	100,000.00	0.00	0.00	100,000
6349	MISC FRANCHISE	42,000.00	5,546.41	0.00	36,454
6501	VEH CODE FINES	8,000.00	4,973.76	0.00	3,026
6502	EXCESS MOE FINES	0.00	0.00	0.00	0
6521	TC ORD VIOLTN	1,290.00	7,725.91	0.00	-6,436 OVR
6550	FINES AND FEES	150.00	297.87	0.00	-148 OVR
6601	INTEREST	17,000.00	34,907.76	0.00	-17,908 OVR
7062	ST MV IN-LIEU	5,000.00	5,987.49	0.00	-987 OVR
7066	OFF-HWY MVLF	9,200.00	3,699.46	0.00	5,501
7430	STATE HOPTR	50,000.00	27,219.85	0.00	22,780
7465	CNTY STABELIZATN	32,000.00	32,000.00	0.00	0 EQL
7765	TOBACCO SETTLMNT	120,000.00	0.00	0.00	120,000
7780	FED TAX IN-LIEU	560,000.00	574,789.00	0.00	-14,789 OVR
8202	ADMIN FEES	800.00	496.22	0.00	304
8504	PROOF OF CORRCTN	1,300.00	1,024.78	0.00	275
8505	TRAFFIC SCH FEE	8,000.00	9,167.23	0.00	-1,167 OVR
8901	INDIRECT COSTS	3,000.00	3,691.00	0.00	-691 OVR
8950	INTRA-FUND XFER	99,038.00	99,112.00	0.00	-74 OVR
9299	OTHER REVENUE	40,000.00	52,919.93	0.00	-12,920 OVR
9800	XFER IN	1,950.00	1,945.67	0.00	4

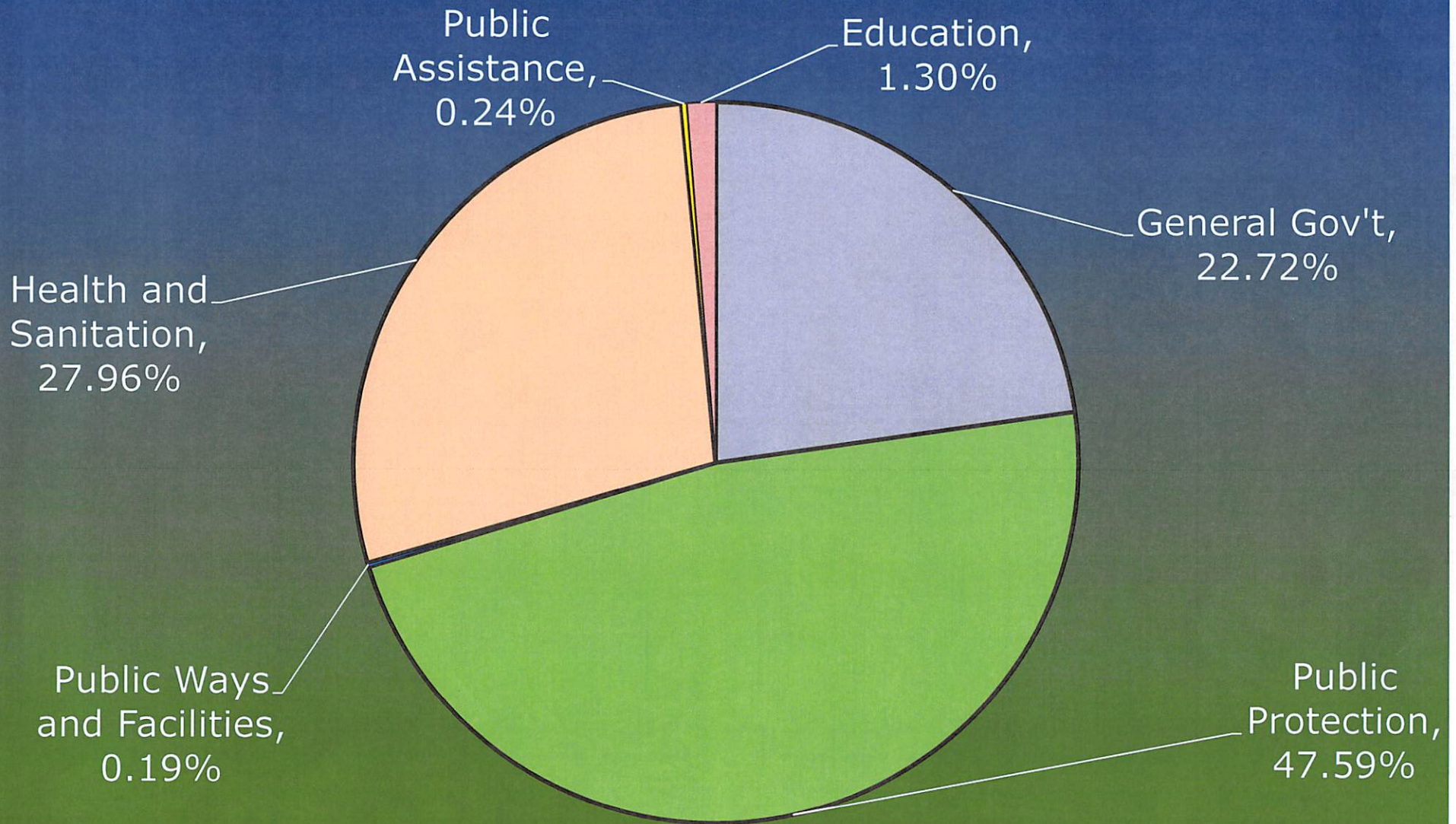
	** Total Revenue Accounts **
Total Revenue Budget	9,664,028.00 6,134,727.86 0.00 3,529,300 **
	** Total Expense Accounts **
	2,000.00 1,883.78 0.00 116 **
	** Revenue Minus Expense **
	9,662,028.00 6,132,844.08 0.00 3,529,184 ***

Property Tax	7,260,300	75%
TOT Tax	175,000	2%
Sales Tax	1,200,000	12%
Other Revenues	1,028,728	11%
	9,664,028	100%

General Fund Revenue – Five Year Trend Discretionary vs. Non-Discretionary



General Fund Expenditure Budget \$27,772,041



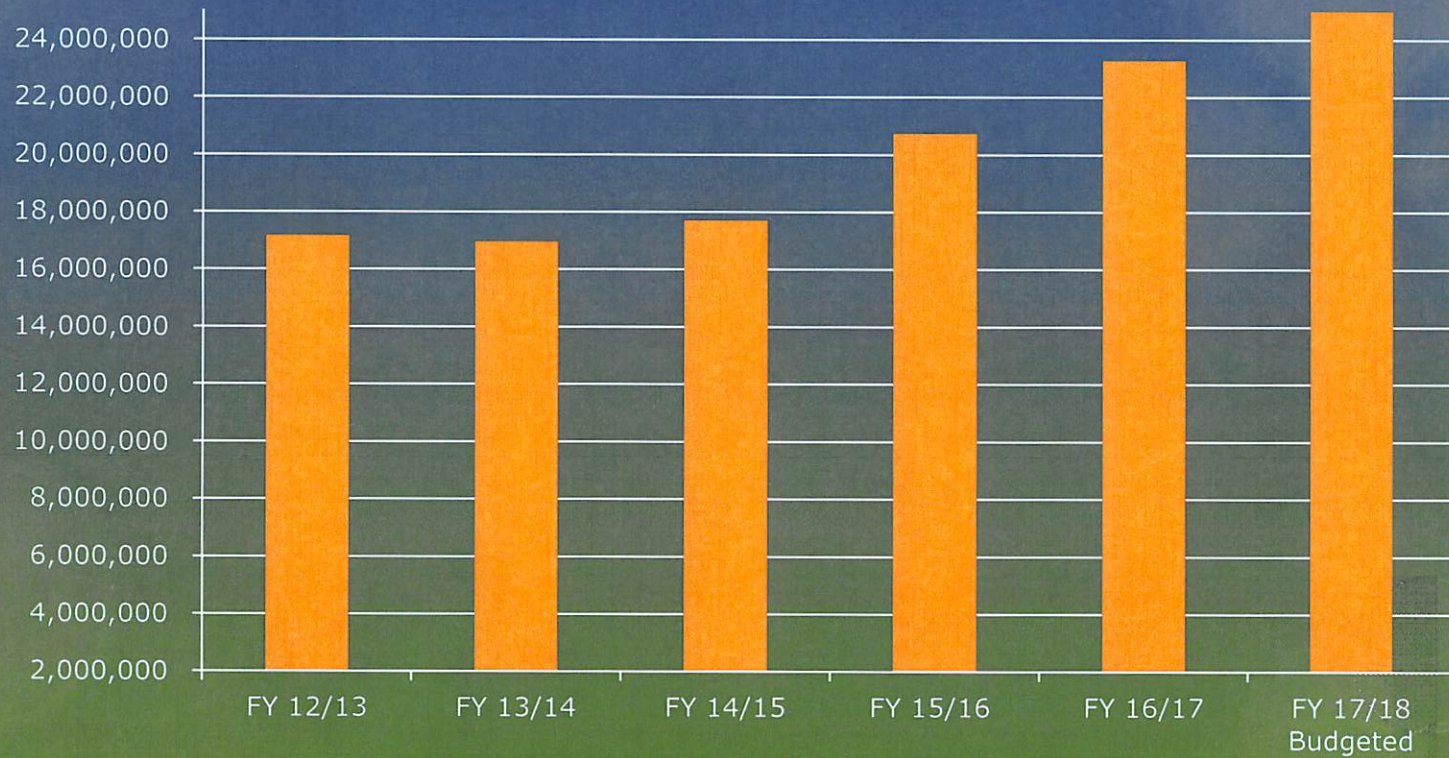
**General Fund
Departments by Function**

General Government
Public Protection
Public Ways and Facilities
Health and Sanitation
Public Assistance
Education

1000 General Fund
1100 Board of Supervisors
1101 County Audit
1200 CAO
1250 Human Resources
1300 Auditor-Controller
1350 Treasurer-Tax Collector
1400 Assessor
1520 Collections - Delinquent
1600 County Counsel
1650 Elections Department
1750 General Services
1890 Insurance/Risk Management
1910 Surveyor
1940 Information Technology
1990 Contributions to Other Funds
3300 Advertising County Resources
3110 Misc. Public Works
4000 Health Department
6000 Library
6200 TC Coop Extension 4H

1050 Code Enforcement Settlement
1500 Courts General
2050 Grand Jury
2100 District Attorney
2110 Coroner
2170 Public Defender
2200 Sheriff
2270 Search and Rescue
2300 Jail
2301 Jail Health
2350 Animal Control
2400 Probation Department
2430 Fire Protection
2460 Juvenile Hall
2480 Building & Development
2490 Agricultural Commissioner
2500 Clerk/Recorder
2600 LAFCO Contribution
2800 Planning and Zoning
5090 Veterans Services Officer
5345 Commission on Aging

General Fund Expenditures - Five Year Trend (as of 08/23/2017)



The background is a vertical gradient from dark blue at the top to a vibrant green at the bottom. Faint, semi-transparent circular patterns are scattered across the background, some appearing as simple outlines and others as textured, grid-like circles.

Thank You!