



## **Financial Section**

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## Financial Section - Introduction

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### Budget As A Financial Document

Budgets serve a wide variety of purposes. They can serve as policy making tools, management tools, and communication devices. Ultimately, budgets are financial documents. They should provide a snapshot of the overall financial condition of the entity and of its financial plan for the coming year. The Financial Section of Yakima County's Annual Budget document is intended to provide this information. Other sections of the document present the budget in terms of services, programs and organizational structures.

The Financial Section is organized into two sections which are described below.

**Basis of Accounting.** This sub-section explains in brief the County's fund structure and accounting basis.

**Budget by Fund.** The sub-section is an overview in total of each fund revenue and expenditure budgets in total.

### Fund Accounting

The accounts of Yakima County are organized on the basis of fund and account groups, each of which is considered a separate accounting entity. Each fund has its own balance sheet and, in effect, is treated as a separate "business" for accounting purposes. The County's resources are allocated to and accounted for in individual funds depending on how they are to be spent and controlled. The individual funds are summarized in Program Categories in this budget document.

### Fund Type

Funds can be classified according to the accounting conventions which apply to them. "Governmental" type funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Reported fund balance (net current assets) is considered a measure of "available expendable resources". "Proprietary" funds, on the other hand, are governed by the same accounting standards that apply to private business. "Fiduciary" funds account for assets held by the county on behalf of other governments and other funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

### Basis of Accounting

The "basis of accounting" determines when revenues and expenditures are recognized for the purpose of budget control and financial reporting. Accounting on a "cash basis" means that revenue and expenditures are recorded when cash is actually received or paid out. This method is used by many small business, but it has limitations which make it unsuitable for larger, more complex organizations. Most larger business employ "full accrual accounting", in which revenues are recorded when earned (rather than when received), and expenditures are recognized when an obligation to pay is incurred (rather than when the payment is made). Capital expenses (the cost of acquiring tangible assets) are recognized over the life of the asset, not when the asset is purchased.

Governments typically employ a hybrid basis of accounting termed "modified accrual". Under this system, revenues are recognized when they become measurable and available; expenditures are recognized when the obligation to pay is incurred. However, capital expenditures are recognized at the time of purchase. This means that governments may experience significant increases and decreases in total expenditures from year to year because capital expenses tend to be large and unevenly timed. To help explain year to year expenditure trends, governments frequently report capital expenditures separately from operating costs in their budget documents.

Yakima County employs modified accrual accounting for its governmental fund types, including the General Fund, Special Revenue Funds, Debt Service Funds and Capital project Funds. For Proprietary Fund types, including Enterprise Funds and Internal Service Funds, the County employs full accrual accounting.

### Washington State Budgeting Accounting & Reporting System (BARS)

State law empowers the State Auditors to prescribe a uniform chart of accounts and budgeting, accounting, and reporting system for all local governments in Washington. This system devised by the Division of Municipal Corporations in the State Auditor's Office and codified in a five hundred page manual, is known as BARS. Part Two of Volume One of the BARS Manual pertains to budgeting. It sets forth both general principles of budgeting and detailed procedural guidelines. These principles and guidelines are incorporated into the County budget process.

## 2023 Expenditure Budget by Fund with 2022 Comparison

| Fund                                | 2022               | 2023               |
|-------------------------------------|--------------------|--------------------|
| <b>General Fund</b>                 | <b>73,601,288</b>  | <b>77,596,679</b>  |
| District Court Probation            | 1,359,516          | 1,454,531          |
| Municipal Courts                    | 629,244            | 736,482            |
| Pretrial                            | 284,869            | 361,934            |
| Narcotics Investigation             | 0                  | 0                  |
| Special Operations                  | 413,705            | 209,010            |
| Dist Crt Dispute Resol Cntr         | 60,720             | 48,083             |
| Family Court                        | 290,228            | 289,470            |
| Department of Corrections           | 26,621,804         | 28,297,059         |
| Noxious Weed                        | 549,547            | 566,747            |
| Horticulture                        | 239,246            | 199,918            |
| Law Library                         | 105,066            | 110,310            |
| Criminal Justice Sales Tax          | 9,980,745          | 10,816,041         |
| Parks & Recreation                  | 132,814            | 154,223            |
| County Road                         | 37,245,969         | 47,548,044         |
| Topp/Simcoe West Railroad           | 22,514             | 28,516             |
| Naches Rail Line                    | 27,036             | 27,814             |
| Flood Control                       | 11,122,036         | 10,052,255         |
| Storm Water Utility                 | 1,681,667          | 1,642,382          |
| Code Enforcement                    | 717,291            | 862,191            |
| Affordable & Supportive Housing Tax | 0                  | 0                  |
| Records Services                    | 380,322            | 330,237            |
| Motel/Hotel                         | 745,650            | 758,550            |
| WSU Extention                       | 12,698             | 13,198             |
| Emergency Medical Serv              | 601,373            | 569,250            |
| 911                                 | 3,152,287          | 2,734,668          |
| ARPA Fund                           | 30,108,533         | 27,590,029         |
| Veterans Relief                     | 277,521            | 303,022            |
| Community Services                  | 685,439            | 854,634            |
| Mental Health Sales Tax             | 2,557,072          | 267,073            |
| Treasurer's Revolving               | 291,610            | 307,988            |
| Treasurer's Investment Pool         | 220,930            | 258,585            |
| REET Electronic Technology          | 100,000            | 125,000            |
| Supp Invest In Econ Dversif         | 13,335,397         | 12,362,591         |
| Community Development               | 156,000            | 150,000            |
| Affordable Housing                  | 1,914,096          | 1,325,396          |
| Title III PILT                      | 4,873              | 6,066              |
| Homeless Services                   | 15,468,425         | 11,370,822         |
| <b>Total Special Revenue</b>        | <b>161,496,243</b> | <b>162,732,119</b> |
| 2008 GO Bond Redemption (214)       | 0                  | 41,885             |
| 2008B GO Bond Redemption (215)      | 97,353             | 0                  |
| 2010B Bond Redemption (218)         | 121,500            | 121,500            |
| 2014 LTGO Bond Redemption (201)     | 437,713            | 436,313            |
| 2020 GO Bond Redemption(225)        | 745,250            | 758,250            |
| 2020 GO Bond Redemption(226)        | 3,058,605          | 555,125            |
| <b>Total Debt</b>                   | <b>4,460,421</b>   | <b>1,913,073</b>   |

**2023 Expenditure Budget by Fund with 2022 Comparison (cont.)**

| <b>Fund</b>                   | <b>2022</b>        | <b>2023</b>        |
|-------------------------------|--------------------|--------------------|
| General Capital Projects (TS) | 1,564,907          | 51,370             |
| Fairgrounds Capital Projects  | 191,500            | 193,421            |
| Public Works Capital Projects | 1,680,220          | 450,000            |
| 2020 GO Bond Capital Projects | 4,267,505          | 2,804,898          |
| Ascend Royalties              | 50,000             | 50,000             |
| RE Excise Cap Proj            | 841,105            | 980,100            |
| <b>Total Capital</b>          | <b>8,595,237</b>   | <b>4,529,789</b>   |
| <br>                          |                    |                    |
| Solid Waste                   | 20,615,462         | 18,296,516         |
| Public Works Utilities        | 5,452,335          | 4,820,105          |
| Yakima County Water Resource  | 583,697            | 141,600            |
| Building & Fire Safety        | 3,259,735          | 4,059,632          |
| <b>Total Enterprise</b>       | <b>29,911,229</b>  | <b>27,317,853</b>  |
| <br>                          |                    |                    |
| GIS                           | 545,683            | 557,526            |
| Technology Services           | 7,330,672          | 9,271,259          |
| Purchasing                    | 256,700            | 445,664            |
| Unemployment Comp             | 308,604            | 309,994            |
| Employee Flexible Spending    | 53,075             | 52,049             |
| Vol Employee Benefit          | 254,663            | 246,890            |
| Worker's Comp                 | 1,198,139          | 2,287,291          |
| LEOFF Benefit                 | 424,725            | 426,430            |
| Liability Insurance           | 3,634,310          | 4,239,736          |
| Department of Security        | 740,190            | 758,058            |
| Financial Services            | 707,792            | 709,469            |
| Facilities Services           | 5,715,453          | 5,916,899          |
| ER & R                        | 18,886,201         | 16,383,853         |
| <b>Total Internal Support</b> | <b>40,056,207</b>  | <b>41,605,118</b>  |
| <br>                          |                    |                    |
| <b>Total</b>                  | <b>318,120,625</b> | <b>315,694,631</b> |

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