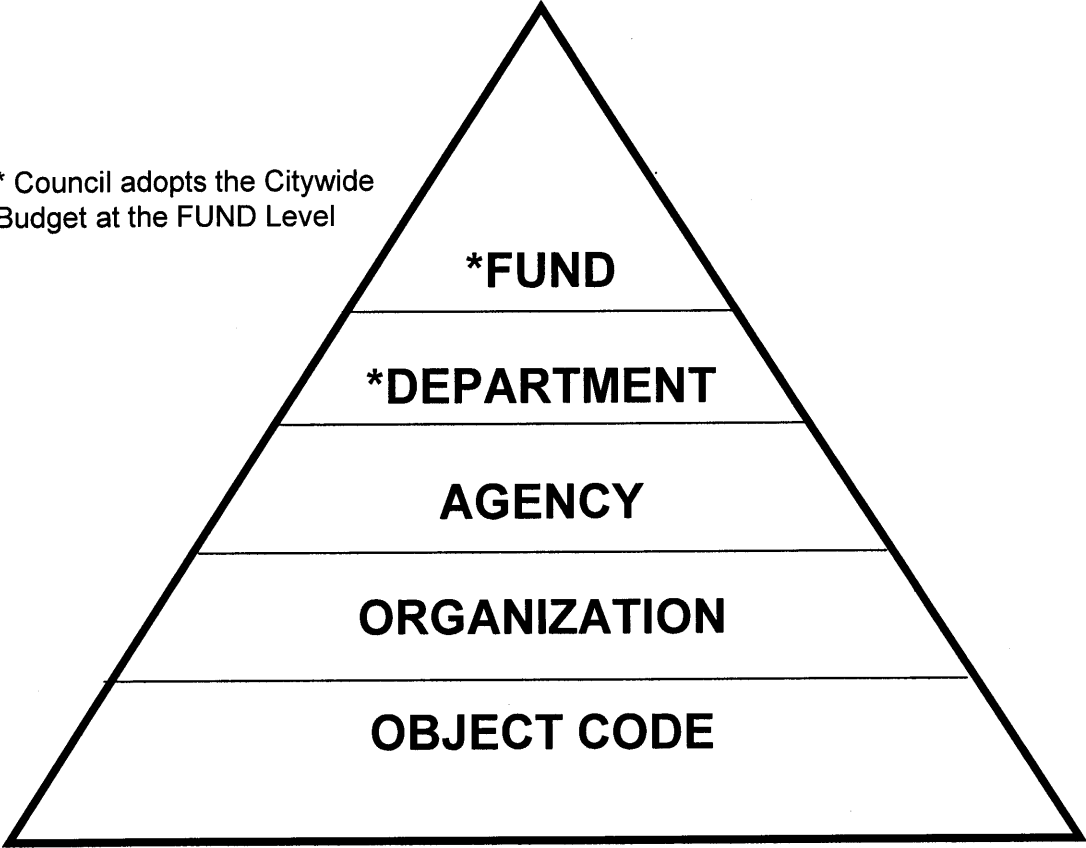


City of Modesto Financial Structure

* Council adopts the Citywide Budget at the FUND Level



The City's financial system is organized around a structure that is commonly found in most public agencies.

Fund – Each fund represents a self-balancing group of accounts and a balance sheet that allows for the segregation of resources from all others maintained by the City.

For example, the General Fund accounting structure accumulates and tracks monies collected for the purpose of providing the services that fulfill the general government role of the City. These costs include those for central administration including the City Council, Personnel Services and the Finance Department. Other general government costs included are Police, Fire Protection and Parks, Recreation and Neighborhoods.

Department – The functions carried out by the City are organized by department. The leadership and staff assigned to each department are charged with carrying out these assigned functions. Examples of the various departments include Police, Fire Protection and Information Technology.

Agency – In certain instances the functions carried out by a particular department are numerous and diverse. In these instances the leadership within a department is broken out so that the leadership and staff assigned to a particular set of functions is given its own unique identifier. In the City, this identifier is known as the Agency. The agency identifier also is used to provide a breakout of the revenues and costs associated with each of these functions.

Organization – The organization identifier or the “Org Number” is commonly used within the City's accounting system to identify a specific cost center assigned to a department. Thus, a single department can have one or more cost centers assigned to it in order to capture costs for each separate function.

For example, the Fire Department has 11 “Org Numbers” assigned to it. A separate “Org Number” is assigned to fire suppression, training and investigative costs. These eleven organizational divisions allow the costs for each function to be captured separately.

Object Code – The basic unit of the City's accounting structure is the object code. The purpose of the object code is to provide a means for separating each type of cost from another.

For example, full-time salaries are charged to Object Code 0110 while pest control costs are accounted for in Object Code 0214.

The reason for maintaining this type of formal structure comes down to the agency's need to maintain accountability over the assets for which it has control.