Glossary of Terms

Accrual Basis - A basis of accounting in which transactions are recorded when the underlying event occurs, as opposed to when the cash is received or when the bill is paid.

ADA - Acronym used to denote the American Disabilities Act.

Appropriation – Represents the legal authorization granted by the legislative body (i.e., City Council) to incur obligations and to make expenditures for specific purposes.

Assessed Valuation - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Assets - Resources having monetary value which are owned or held by a government.

Available (Undesignated) Fund Balance - Funds remaining at the end of the prior year, which are available for use in the current year.

Balanced Budget – A budget in which current revenues in combination with current fund balances equal or exceed current expenditures.

Benefits Reserve Fund – Reserve fund intended to support unplanned costs and obligations determined in the current negotiated employment benefits.

Bond - A written promise to pay a specified sum of money (called the face value or principal amount), at a specified date or dates in the future called the maturity date(s), together with periodic interest at a specified rate.

BGP – Acronym us to refer to the company known as Bill Graham Presents. BGP has been consolidated into Live Nation, Inc.

Budget - A plan of financial activity for a specified period of time (fiscal year or bi-annual) indicating all estimated revenues and appropriated expenditures for that time period.

Budget Calendar - The schedule of key dates followed in the preparation and adoption of the City budget.

Budgetary Control - The control or management of the government finances to keep expenditures in accordance with the limitations of available appropriations and resources.

CALEA – Acronym used to denote the Commission on Accreditation for Law Enforcement Agenices.

CalPERS – Acronym used to denote the California Public Employees Retirement System.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

GLOSSARY OF TERMS (cont.)

Capital Budget – A plan of proposed capital outlay projects and the means to finance them.

Capital Improvement Program (CIP) – An appropriation plan for expenditures for capital outlay projects to be incurred each year over a fixed period of years. The City of Concord prepares a ten year CIP.

Capital/Maintenance Reserve – Funds available for Council appropriation to meet unanticipated and unscheduled capital and maintenance needs of City infrastructure and facilities. This reserve is to be used for major capital repair where facility failure, unexpected hazards or destruction of City property has occurred and where repair or replacement is not planned with the established capital, operations, or internal replacement funds.

Capital Outlay – The expenditures for capital projects and equipment with a value of $7,500 or more and a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

Capital Project – A major construction, acquisition, or renovation activity which adds value to fixed assets or which significantly increases its useful life. Can also be called a capital improvement.

Cash Basis - A basis of accounting in which transactions is recognized only when cash is received or disbursed.

CCE – Acronym used to refer to the Clear Channel Entertainment Company, a subsidiary of Live Nation, Inc.

CCCSD – Acronym used to refer to the Contra Costa County Sanitary District.

CCCWP – Acronym used to denote Contra Costa County Water Pollution.

CDBG – Acronym used to denote the Community Development Block Grant.

COG – Acronym used to refer to Community Oriented Government.

COPS - Acronym used to refer to a grant for Citizens Options for Public Safety.

CPI – Acronym used to refer to the Consumer Priced Index.

CSC – Acronym used to denote the Community Services Commission.

CSMFO – Acronym used to denote the California Society of Municipal Finance Officers.

Debt Service - The cost of paying principal and interest on borrowed money (bonds) according to a predetermined payment schedule.

GLOSSARY OF TERMS (cont.)

Department - The basic organizatio
nal unit of government which is functionally unique in its
delivery of services.

Depreciation – Portion of the cost of a fixed asset used up each year of its useful life.

Disbursement – Payment in cash from the City Treasury.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Economic Contingency Reserve – Funds available for Council appropriation to meet unanticipated needs caused by State or Federal redirection of City resources, general economic downturns, or reductions in operating revenues.

Employee (or Fringe) Benefits – Compensation to employees provided in addition to salary and wages. Benefits include, but are not limited to retirement plan contributions and health insurance.

Encumbrance – The estimated amount of expenditures ultimately to result if what has been committed is completed.

Entitlements - Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Expenditure - The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

Expense - Costs incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.

Fixed Assets - Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FTE – Refer to the description shown below.

Full-time Equivalent Position (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Function - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund - A fiscal subdivision of the governmental entity financial records including assets, liabilities, and fund balance, held apart for the accounting of a specific purpose or activity.

Fund Balance - The excess of the assets of a fund over its liabilities. Fund balance may be restricted as to its use or it may be available for any use within the fund specific purpose.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles

GASB – Acronym used to refer to the Governmental Accounting Standards Board.

GFOA – Acronym used to refer to the Government Finance Officers Association.

General Fund – Used to account for all financial resources except for those required to be accounted for in other funds.

Goal - A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

Grants - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee or the project.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which is not directly assigned to one service.

Interfund Transfers - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue - Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges - The charges to user departments for services provided by another department, such as fleet maintenance or information technology.

Lapsing Appropriation - An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balances lapse or end, unless otherwise provided by law.

LSR - Acronym used to denote the Local Streets and Roads component of California Proposition 1B, the Transportation Bond Act passed in 2006

GLOSSARY OF TERMS (cont.)

Materials and Supplies – The expendable materials and operating supplies required facilitating departmental operations.

MOU – Acronym used to denote Memorandum of Understanding. This is a contract between the City and employee union.

NPDES – Acronym used to denote the National Pollutant Discharge Elimination System.

OPEB – Acronym used to denote other post employment benefits. For the City of Concord "OPEB" refers to retiree health insurance.

Objective - Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Operating Expenses - The cost for personnel, materials, and equipment required for a department to function.

Operating Revenue - Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

PBB – Acronym used to denote Performance Based Budget.

Performance Based Budget - A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure - Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel Services - Expenditures for salaries, wages, and fringe benefits of a government's employees.

Program - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Budget - A budget that allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

RDA – Acronym used to denote the Redevelopment Agency.

Revenue – Refers to the sources of income received to finance the operations of government.

GLOSSARY OF TERMS (cont.)

RFP – Acronym used to refer to a "Request for Proposal."

SFRWQCB – Acronym used to refer to the San Francisco Regional Water Quality Control Board.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out – See Interfund Transfers.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unforecasted Reserve Fund – Funds available for Council appropriation to continue services if State, Federal, or other grant funding sources are lost, and to offset the costs of unanticipated, unfunded governmental mandates.

VLF – Acronym used to refer to the Vehicle License Fees.