

GLOSSARY

Actual - Actual level of expenditures/FTEs approved for fiscal year noted.

Amended - Level of expenditures/FTEs reflecting adjustments made during the current fiscal year.

Appropriation - An authorization by the City Council to make expenditures and to incur obligations for a specific purpose.

Approved Budget - Approved level of expenditures/FTEs for fiscal year noted.

Assessment - Revenue collected for City services that benefit properties in specific areas or districts.

Balanced Budget - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

Beginning/Ending Fund Balance - Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand. (See definition of "Fund Balance".)

Budget - An annual financial plan consisting of proposed expenditures for specified purposes and the proposed means of financing them.

Capital Improvement - A permanent addition to the City's assets, including the design, construction, or purchase of land, buildings or facilities, or major renovations of the same. Includes installation or repair of new or existing traffic signals, roads, sewer lines and parks. To qualify as a capital improvement project, the cost of the project must exceed \$10,000.

Capital Improvement Program (CIP) - An on-going five year plan of single and multiple year capital expenditures which is updated annually.

Consortium - A grouping of independent but related units which coordinate efforts to provide service as well as achieve cost/revenue efficiencies.

Debt Service - Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

Department - The basic unit of service responsibility, encompassing a broad mandate of related activities.

Division - A sub-unit of a department which encompasses more specific functions of that department and may consist of several activities.

Employee Services - The personnel costs of a City program, including wage/salary, direct and indirect benefits such as health insurance, social security costs, retirement contribution, worker's compensation, unemployment insurance, etc.

Enterprise - A governmental facility or service that is self-supporting through fee and charge revenue.

Equipment - Capital outlay for tangible property of a relatively permanent nature, such as vehicle or office equipment, with a unit cost of \$5,000 or more.

Expenditure/Requirement - The actual spending of funds authorized by an appropriation. Expenditures are divided into the following classes of individual line items:

- * Employee Services
- * Other Services and Supplies
- * Equipment
- * Debt Service
- * CIP or Grant Labor Offset
- * Capital Improvements

Fiscal Year - July 1 through June 30.

Full Time Equivalent (FTE) - The decimal equivalent of a part-time position converted to a full time basis, i.e., one person working half-time would count as 0.5 FTE.

Fund - A separate, independent accounting entity with its own assets, liabilities and fund balance.

- **General Fund** - The City's principal governmental operating account, which is supported by taxes and fees.
- **Other Governmental Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, e.g., Gas Tax Fund, Traffic Safety Fund, Operating Grant Fund, etc.
- **Enterprise Funds** - These funds are used to account for operations, for which it is the stated intent, that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals, e.g., Water, Sewer, Golf, etc.
- **Internal Service Funds (ISF)** - These funds are used to provide services to all City departments on a cost- reimbursement basis, e.g., Risk Management Fund, Fleet Management
- **Trust Funds** - These funds are used to account for assets and activities restricted to a specific purpose in accordance with a trust agreement, e.g., Ethel MacLeod Hart Trust Fund.

Fund Balance - The fund balance is the total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

General Fund - The City's principal operating account, which is supported by taxes and fees and generally has no restrictions on their use. Expenditures may be described as discretionary and non-discretionary.

- Discretionary - that portion of the General Fund for which there are no restrictions on the use of the fees or taxes collected.
- Non-discretionary - expenditure of revenues which are collected by users of a program to offset the cost of the program. State law requires that fees charged cannot exceed the cost of the service.

Grant – Program revenues provided by external agencies which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Growth Rate - level at which expenditures and revenues are expected to increase annually.

Impact - impact to service level provided by particular program due to budget reductions.

Indirect Costs - Those elements of cost necessary in the performance of a service that cannot be accurately or readily allocated to the unit of service. Usually, they relate to those expenditures that are not an integral part of the service such as rent, heat, management, etc.

Internal Service Fund (ISF) Transfer - A transfer from operating funds to an ISF, i.e., Risk Management or Fleet Management. An ISF provides services to all City departments and bills the various other funds for services rendered, just as would a private business. ISF's are self-supporting. Only the expenditure by the ISF is counted in budget totals; the internal transfer from the department to the ISF is excluded to avoid double-counting expenditures.

Labor/Supply Offset (CIP/Grant/Labor) - Amounts for employee salaries/benefits expected to be charged to capital improvement projects or grants thus reimbursing the operating budget for these costs.

Non-departmental - Program costs that do not relate to any one department, but represent costs of a general, citywide nature, i.e., debt service, Utility Users Tax Rebate, reserves.

Operating Budget - Annual appropriation of funds for on-going program costs, including employee services, other services and supplies, equipment, and debt service.

Operating Transfers - Transfers from a fund receiving revenue to a fund which will expend the resources.

Other Services and Supplies - Costs of contractual or outside services, office supplies, and equipment items costing under \$5,000.

Program - one or more activities as categorized in Sacramento Decisions. For example, Police Patrol is the first program which consists of patrol, emergency response, investigations, and traffic enforcement activities.

Proposed Budget - proposed level of expenditures/revenues/FTEs as outlined in the proposed budget document. This is the City Manager's recommended budget which will be considered by the City Council for approval.

Resources - Total amounts available for appropriation during the fiscal year, including revenues, fund transfers and beginning fund balances.

Revenues - Amounts received from seven categories of revenue.

- **Taxes** - Revenue including sales tax, property tax, utility user tax, etc., collected to fund general operating City programs
- **Charges for fees and services** - Fees charged to the user of any specific service provided by the City not supported by the General Fund. The fee cannot exceed the cost of providing the service.
- **Licenses and Permits** - Revenues collected for construction, maintenance and/or operation of designated equipment, businesses, buildings, and private property including animals.
- **Use of Money and Property** - Interest earned on City investments or County held funds.
- **Inter-governmental** - Revenue disbursements from other agencies such as State Motor Vehicle in Lieu Tax & State Homeowners Property Tax Relief - and - revenue reimbursement for services provided to other agencies.
- **Fines, Forfeitures, and Penalties** - Revenues collected for violations of city ordinances, late payments, etc.
- **Miscellaneous Revenues** - Unanticipated revenues.

In the Enterprise activities, revenues can also be classified as operating or non-operating. Operating revenues are those revenues directly related to the fund's primary service activity and consist primarily of user fees and charges. Non-operating revenues are incidental to, or by-products of the enterprise's primary service such as interest income or the Transient Occupancy Tax for the Community Center Fund.

Surplus - an excess of total current resources over total current requirements.

Variance - Change in expenditures/staffing levels.