
APPENDIX C: SAMPLE GLOSSARY OF TERMS

DEFINITIONS

Account Number. A line-item code defining an appropriation.

Accounts Payable. A liability account reflecting amounts on open account owing to private persons or organizations for goods and services received by a government.

Accounts Receivable. An asset account reflecting amounts owing on open account from private persons or organizations for goods and services furnished by a government.

Accrual Accounting. A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they occur.

Ad Valorem Taxes. Commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.

Amortization. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Annual Budget. A budget applicable to a single fiscal year.

Appropriation. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Assessed Valuation. A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assets – Resources owned or held by a government which have monetary value.

Balanced Budget. A budget in which planned revenues available equals planned expenditures.

Basis of Accounting – A system used by an individual government to determine when revenues have been realized and when expenditures have been incurred.

Basis of Budgeting – A system used by an individual government to determine when budgetary revenues have been realized and when budgetary expenditures have been incurred.

Bond – A written promise to pay a specified sum of money, called the par value or principal, at a specified date or dates in the future, together with periodic interest at a specified rate.

Bonded Debt – That portion of indebtedness represented by outstanding bonds.

Budget – A service plan for a given period embodying estimated expenditures for providing services and the proposed means of financing them. A balanced budget limits expenditures to available resources.

Budget Amendment. A revision of the adopted budget that, when approved, replaces the original provision and increases or decreases the budget appropriation.

Budget Calendar. The schedule of key dates that a government follows in preparation and adoption of the budget.

Budget Ordinance. The governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

Budget Period. The period for which a budget is proposed or a budget ordinance is adopted. Normally coincides with the fiscal year.

Budget Transfer. A procedure utilized by County Departments to revise budget appropriations within the departmental operating budget accounts. Transfers monies from one account to another and does not increase or decrease the overall budget appropriation for the department.

Budgetary Control. The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Assets. Assets of significant value and having a useful life of several years. See also “Capital Asset Policy”.

Capital Outlay. Expenditures for the acquisition of capital assets.

Capital Project. A project that results in the purchase or construction of capital assets. Capital projects may encompass the purchase of land, construction of a building or facility, or purchase of a major piece of equipment.

Capital Improvements Fund. A fund established to account for the receipt and expenditures of money from major capital projects.

Chart of Accounts. A numbering system that assigns a unique number to each type of transaction and to each budgetary unit in the organization.

CIP. Capital Improvement Program.

Comprehensive Annual Financial Report (CAFR). The report that summarizes financial data for the previous fiscal year in a standardized format.

Constitutional Limit. The maximum rate at which the County may levy the property tax. By New York State Law, the County's tax limit is 2% of the average of the full valuation of assessable property for the past five years.

Debt. An obligation resulting from the borrowing of money or from the purchase of goods and services over a period of time. Debts of government include bonds, time warrants, notes, and floating debts.

A. *General Obligation Debt* is secured by the pledge of the issuer's full faith, credit, and taxing power.

B. *Revenue Debt* is a bond, debt, or obligation for which principal and interest are payable exclusively for the earnings of a government enterprise. This term can refer more broadly to any state or local government debt that is not a general obligation.

Debt Limit. The maximum amounts of gross or net debt that is legally outstanding debt.

Debt Service. Payment of principal and interest to lenders or creditors on outstanding debt.

Debt Service Fund. A fund that is established to account for the accumulation of resources for the payment of long-term obligations.

Deficit. The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Depreciation. Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DOT. Department of Transportation.

Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed primarily through user charges. Services accounted for in enterprise funds are tangible, and it is possible to determine the extent to which they benefit individual service consumers.

Expenditures. Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service, and capital outlays.

Expenses. Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

Fiduciary Fund. Those trust and agency funds used to account for assets held by a local government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Financial Indicators. Comparison of planned vs. actual expenditures, cost, obligations, receipts, allocations or losses.

Fiscal Year (FY). The accounting period for which an organization’s budget is termed the fiscal year. In the County, the fiscal year runs from January 1st to December 31st.

Fixed Assets. A financial resource that is tangible in nature, has a useful life of more than one year, is not a repair part or supply item and has a value equal to, or greater than, the capitalization threshold of \$5,000. See also “Capital Asset Policy”.

FTE. Full-time equivalent-in reference to personnel.

Fund. A fund is an independent financial and accounting entity. It has a balanced set of accounts and records, cash and other resources together with all related liabilities and residual equities or balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Though funds are independent entities with the financial records of a government, there need not be physical segregation of assets.

Fund Accounts. All accounts necessary to set forth the financial position and results of operations of a fund.

Fund Balance. The difference between assets and liabilities on the balance sheet.

GAAP. Generally Accepted Accounting Principles.

GAB. Governmental Accounting Standards Board.

General Fund. This fund accounts for the revenues and activities not required by law or administrative decision to be accounted for in a special fund. Ordinarily, the General Fund has a great variety of revenues and is used to finance many more activities than any other fund. The General Fund provides general-purpose governmental services.

General Obligation (GO) Bonds. Bonds that are secured by the issuer’s full faith and credit pledge. Most GO bonds are backed by the issuer’s ability to level an ad valorem tax in an amount sufficient to meet debt service requirements.

General Revenue. The revenue of a government other than those derived from and retained in an enterprise. If a portion of the net income in a Proprietary or Enterprise Fund is contributed to another non-enterprise fund, such as the General Fund, the amount transferred constitutes general revenue to the government.

Generally Accepted Accounting Principles (GAAP). Uniform minimum, standards used by state and local governments for financial accounting, recording and reporting, encompassing the conventions, rules and procedures that define accepted accounting principles; established by the Governmental Accounting Standards Board (GASB).

GML. General Municipal Law.

Governmental Accounting Standards Board (GASB). The body that sets accounting standards specifically for governmental entities at the state and local level.

Governmental Finance Officers Association (GFOA). Professional association of state/provincial and local finance officers in the United States and Canada dedicated to the sound management of government financial resources.

GFOA. Governmental Finance Officers Association

Grants. A financial gift, donation or award that is made from a funding source, usually a governmental entity, to the County for the acquisition of goods, services or land. The grant award agreement defines the County's responsibilities and duties to be exchanged for the grant. Grants are often earmarked for a specific purpose or program.

Internal Service Funds. A fund used to account for the financing of goods or services provided by one department to other departments within the County on a cost-reimbursement basis.

Investments. Securities and real estate held for production of revenue in the form of interest, dividend, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Levy. To impose taxes, special assessments or service charges for the support of governmental activities.

Longevity. A percentage increase to base salary that becomes effective after a certain number of years of service. The specific circumstances differ by union. PBA, as an example: 3% after 9 years, 6% after 14 years, and 9% after 18 years.

Line-Item Budget. A budget format in which departmental outlays are grouped according to the items that will be purchased, with one item or group of items on each line.

Long-Term Debt. Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies. Items of expense in the Operating Budget which, after use, are consumed or show a material change in their physical condition, and which are generally of limited value and rapidly depreciate. Examples: office supplies, diesel/gasoline.

Major Fund. Funds with revenues, expenditures, assets or liabilities that make up at least 10 percent of the total for the fund category or type and at least five percent of the aggregate amount of all governmental and enterprise funds. The general fund is always considered a major fund.

Mission. The reason or purpose for the organizational unit's existence.

Net Income. Enterprise Fund in excess of operating revenues, non-operating revenues, and operating transfers-in over operating expenses, non-operating transfers-out.

Non-Major Fund. A fund in which the revenues, expenditures, assets or liabilities do not make up at least 10 percent of the total for the fund category or type and at least five percent of the aggregate amount of all governmental and enterprise funds.

Objectives. The specified end result expected and can include the time at which it will be achieved.

OPEB. Other Post-employment benefits.

Operating Expenses. Enterprise Fund expenses that are directly related to the fund's primary service activities.

Operating Income. The excess of Enterprise Fund operating revenues over operating expenses.

Operating Revenues. Enterprise Fund revenues that are directly related to the fund's primary service activities. They consist of user charges for services.

Ordinance. A formal legislative enactment having the full force and effect of the law.

Personal Services. Items of expenses in the operating budget for salaries and wages and for incidental fringe benefit costs associated with County full-time and part-time employment.

Proprietary Fund. Used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities where net income and capital maintenance are measured – are accounted for through proprietary funds.

Property Tax Levy. The total amount of property tax to be assessed on taxpayers, regardless of whether actually collected.

Property Tax Rate. The rate used to determine the property tax bill of individual taxpayers. The rate is expressed as a dollar amount to be charged for each \$1,000 of assessed property value.

Revenues. Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers.

Resolution. An order of the County Legislature requiring less legal formality than an Ordinance.

Tax Rate Limit. The maximum rate at which a government may levy a tax. Overall tax rate limits usually restrict levies for all purposes and of all governments, state or local, having jurisdiction in a given area. Taxes are levied via a Tax Levy Ordinance.

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

Uniform Chart of Accounts. State mandated financial reporting format for governments. See “Chart of Accounts.”

User Fees. The payment of a charge for direct receipt of a public service by a party benefiting from that service.

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ACRONYMS

Acronym	Meaning
ARC	Annual Required Contribution
AICPA	Institute of Certified Public Accountants
CAFR	Comprehensive Annual Financial Report
CIP	Capital Improvement Program
FASB	Financial Accounting Standards Board
FY	Fiscal Year
FTE	Full-Time Equivalent (referring to personnel matters)
GAAP	Generally accepted accounting principles
GAAS	Generally accepted auditing standards
GAGAS	Generally accepted government auditing standards
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GML	General Municipal Law
GO	General Obligation (when referring to municipal bonds)
IGAS	Interpretation of Governmental Accounting Standards
NCGA	National Council on Governmental Accounting Q&A Implementation Guide
OPEB	Other Post-Employment Benefits
OSC	The Office of the State Comptroller
SAS	Statement on Auditing Standards
SGAC	Statement of Governmental Accounting Concepts
SGAS	Statement of Governmental Accounting Standards TB Technical Bulletin