

## Glossary & Acronyms

**Accrual Basis of Accounting** - Internal Service Fund and Enterprise Fund revenues and expenses are recognized on the accrual basis. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred.

**Account Number** - A system of numbering or otherwise designating accounts, entries, invoices, vouchers, in such a manner that the number sequence used quickly reveals certain required information.

**Adopted Budget** - Refers to the budget amount as originally approved by the City Council at the beginning of the fiscal year.

**Anticipated Expenditures and Revenues** - The expenditures or revenues that are expected by the close of the budget year/fiscal year.

**Appropriation** - The legal authorizations made by the City Council (who approve department budgets) to the departments, offices and agencies of the City, allowing the departments to make expenditures and incur obligations for specific purposes within the amounts approved.

**Assessed Valuation** - This is the value of property set for tax purposes. The assessed value is set by the County Assessor, who is charged with determining the taxable value of property according to a formula set by the State of Missouri.

**Assessment** - a valuation set on taxable property, income, etc.

**Audit** - An examination of records or financial accounts to check their accuracy.

**Balanced Budget** - a budget in which revenues are equal to expenditures. Thus neither a budget deficit nor a budget surplus exists.

**Bond** - a debt security, under which the issuer owes the holders a debt and is obliged to pay them interest and/or to repay the principal at a later date, termed the maturity date.

**Budget** - The financial plan for the operation of the City for the fiscal year.

**Budgetary Control** - The control and management of a governmental or enterprise fund/entity in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Capital Expenditure** - Amounts spent for tangible assets that will be used for more than one year and have a cost of \$5,000 or more. These amounts generally include the amount to acquire or improve a fixed asset. Some capital expenditures, such as fleet replacements are generally included in the department's operating budget rather than in the capital improvement program (CIP). Capital expenditures for major road, bridge, facilities, sidewalks, public utilities, drainage projects, recreational facilities buildings and equipment that require more than one year to construct or which are funded with federal grant funds that are obtained over more than one city fiscal year are included in the capital improvement program.

**Capital Improvement Program (CIP)** - Is a multi-year plan for capital investments in the city's infrastructure, facilities, and equipment and includes items such as roads, bridges, sidewalks, public utilities, drainage projects, recreational facilities, buildings, and equipment. In general, fleet replacements are not included in the CIP. Fleet items that are custom built and take more than one fiscal year to receive or are funded by federal grants that are received over several of the city's fiscal years are included in the CIP.

**Capital Projects Fund** - This fund is used to account for the acquisition and construction of major capital facilities or improvements within the general government funds.

**Change in Net Position (previously shown as Net Income)** - The excess of revenues over expenses. Net income is calculated for Internal Service Funds and Enterprise Funds. Net income is not calculated for a governmental fund.

**Core Budget** – The Core Budget is the prior year's original adopted budget, less any one-time expenditures.

**Debt Service Fund** - The debt service funds are used to account for the accumulation of resources and payment of general long-term debt principal and interest.

**Deficit** - An excess of the liabilities of a fund over its assets. Also, the excess of expenditures over revenues during the budget year.



## Glossary & Acronyms

**Department** - The Department is the primary unit in City operations. Each is managed by a department director. Departments are generally composed of divisions which share a common purpose or which perform similar duties.

**Depreciation** - The decrease in value of physical assets due to use and the passage of time. In accounting for depreciation, the cost of a fixed asset is prorated over the estimated service life of such an asset, and each year is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

**Encumbrance** - Commitment for unperformed contracts for goods or services. An amount of money committed and set aside, but not yet expended, for the purpose of a specific good or service.

**Enterprise Funds** - These funds are used to account for resources committed to self-supporting activities of governmental units that render services to the general public on a user-charged basis. Budgeted enterprise funds include: Water and Electric Utility, Sanitary Sewer Utility, Regional Airport, Transit, Solid Waste Collection, Parking Facilities, Recreation Services, Railroad, Transload, and Storm Water Utility.

**Expendable Trust Fund** - A trust fund whose principal and earnings may be expended. The only expendable trust fund that is budgeted is the Contributions Fund.

**Expenditure** - An actual obligation incurred for goods or services received whether or not yet paid by a City check, electronic funds transfer or by an interfund transfer for internal City bills.

**Fiscal Year (FY)** - The period used for the accounting year. The City of Columbia has a fiscal year of October 1st through the following September 30th.

**Fixed Asset** - An asset item with a value of \$5,000 or more and is expected to have an estimated life of greater than one year.

**Full-time equivalent** - 1.00 FTE or 2080 hours

**Fund** - A fund is a self-balancing set of accounts designed to track specific revenues and the uses of those revenues.

**Fund Balance** - An accumulated excess of revenues over expenditures. Any amount left over after expenditures are subtracted from resources is then added to the beginning fund balance each year. Each fund begins and ends each year with a positive or negative fund balance. The exception to this is Enterprise Funds and Internal Service Funds which are accounted for in the same manner as private businesses and record net position as opposed to a fund balance.

**Fund Equity** - Additional funds generated by the cost of operating as internal service funds which is used to offset charges assessed to other internal departments.

**Fund Type** - In governmental accounting, all funds are classified into seven generic fund types: General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Trust and Agency.

**General Fund** - The fund used to account for all City activities not required to be accounted for elsewhere. The General Fund of a governmental unit is made up of the resources available for the purpose of carrying on the unit's operating activities. The General Fund includes the following departments: City Council, City Clerk and Elections, City Manager, Municipal Court, Human Resources, Law, Community Development, Cultural Affairs, Economic Development, Finance, Fire, Police, Health, Community Relations, Divisions of Public Works (Administration, Streets and Engineering and Facilities Management), and Divisions of Parks and Recreation (Administration, C.A.R.E. Program, and Parks).

**General Obligation Bonds** - Bonds backed by the full faith and credit of the City.

**Governmental/Trust Funds** - Includes the General Fund, Expendable Trust Funds, Non-Expendable Trust Funds, Special Revenue Funds, Debt Service Funds and Capital Projects Fund.

**Legal Debt Margin** - The amount of additional debt the City may legally issue. It is currently 20% of the assessed value less general obligation debt currently outstanding.

**Intergovernmental Revenues** - Revenues from other governments in the form of grants, entitlement, shared revenues or payments in lieu of taxes.

**Internal Service Funds** - These funds are used to finance, administer, and account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis. Budgeted internal service funds are Employee Benefit Fund, Self Insurance Reserve Fund, Fleet Operations Fund and Information Technology Fund. In prior years, Custodial and Maintenance, Community Relations and Utility Customer Services were also internal service funds. In



## Glossary & Acronyms

FY 21, Custodial and Maintenance (now Facilities Management) and Community Relations moved to the General Fund. The operations of Utility Customer Services were moved to the Utilities.

**Intragovernmental Charges** - Charges assessed to all other departments i.e. Enterprise, Special Revenue, Governmental and other Internal Service funds for services provided to those various departments. Some of the services include, delivery of mail, custodial and building maintenance & computer support.

**Major Fund** - funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

**Modified Accrual Basis** - General Fund, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds are recognized on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. This basis measures resources available to the City.

**Net Assets** - A funds total assets less all liabilities.

**Net Position (previously shown as Retained Earnings)** - Profits generated by enterprise funds that are either reinvested into the fund or are kept as a reserve for specific objectives - such as to pay off a debt or purchase capital assets.

**New Decision Items** – New Decision Items include any new spending above the “core” budget.

**Non-Expendable Trust Funds** - A trust fund whose principal must be preserved intact. Revenues earned on the principal may be expended.

**Non-Operating Expenses** - Expenses incurred by Enterprise and Internal Service Funds that are not directly related to the fund's primary service activities. Examples of non-operating expenses include Interest Expense, Loss on Disposal of Fixed Assets, and Miscellaneous Expenses.

**Non-Operating Revenues** - Enterprise and Internal Service Fund revenues that are not directly related to the fund's primary service activities. Examples of non-operating revenues include Interest revenue, gain on disposal of fixed assets, and miscellaneous revenue.

**Operating Budget** - The annual budget and process which provide a financial plan for the operation of government and the provision of services for the year. Excluded from the operating budget are capital projects which are determined by a separate, but interrelated process.

**Permanent employee** – a position created without intent of limitation and intended to exist for at least one budget year.

**Property Tax** - This refers to the property tax placed on property. The tax income is determined by multiplying the tax rate by each \$100 of assessed valuation.

**Proposed Budget** - The recommended City budget submitted by the City Manager to the City Council in late July each year.

**Revenue Bonds** - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition, these bonds may contain a mortgage on the enterprise fund's property.

**Revenues** - Money generated through taxes, charges, licenses and other sources to fund City operations.

**Special Obligation Bonds** - Special obligations of the City. The payment of the principal of and the interest on the Bonds is subject to an annual appropriation by the City. The City is not required or obligated to make any such annual appropriation.

**Special Revenue Funds** - These funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Budgeted special revenue funds include: Convention and Tourism Fund, Contributions Fund, Transportation Sales Tax Fund, Community Development Block Grant Fund, Mid Mo Solid Waste Management District Fund, Parks Sales Tax, Capital Improvement 1/4 Cent Sales Tax, Stadium TDD Fund, Non Motorized Grant Fund and Public Improvement Fund.

**Subsidy** - Legally authorized subsidy from a fund receiving revenue to the fund through which the resources are to be expended.



## Glossary & Acronyms

**Supplementals** - A list of requests by each department which include computers, all other equipment, vehicles, trucks (capital items) and personnel. Requests are listed in priority order and then reviewed and amended by the City Manager and the Department Director based on the budget year's spending limitations. See "New Decision Items" for this FY 22 Budget.

**Transfer** - Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

**User Charges or Fees** - The payment of a charge or fee for direct receipt of a service such as; admission into a swimming pool, health services or police and fire services.

**Utility Charges** - applied based on the consumption of a commodity - charges for sewer, water and publicly provided electricity etc.

**Working Capital** - The total of all current assets less the total of all current liabilities.

**ACA** - Affordable Care Act

**ARPA** – American Rescue Plan Act

**CARES** – Coronavirus Aid, Relief, and Economic Security (Act)

**FTE** – Full Time Equivalent

**GAAP** - Generally Accepted Accounting Principles

**GIS** - Geospatial Information Systems

**NDI** – New Decision Items

**PIOs** - Public Information Specialists

