

## Glossary

Accrual Basis	A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.
Appropriation	A legal authorization of the Board of Supervisors to incur obligations and to make expenditures for specific purposes.
Assessed Valuation	The valuation set upon real estate and certain personal property as a basis for levying property taxes.
Assessment Ratio	The ratio at which the tax rate is applied to the tax base.
Asset	Resources owned or held by a government which have monetary value.
Balance Sheet	The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date.
Balanced Budget	The County Administrator annually proposes, and the Board of Supervisors adopts, a budget and five-year financial plan for the upcoming year in which the revenues available (including any available fund balance from prior years) match or exceed the projected expenditures. The County also appropriates and executes the annual budget each year so that expenditures will not exceed revenues.
Base Budget	Cost of continuing the existing levels of service in the current budget year.
Bond	A long-term promise to pay. It is a promise to repay a specified amount of money (the face value of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.
Bond - General Obligation (GO)	This type of bond is backed by the full faith, credit, and taxing power of the government.
Bond - Revenue	This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.
Bond Rating	An evaluation performed by an independent rating service of the credit quality of bonds issued. Ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities.
Bond Refinancing	The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.
Budget	A plan of financial activity for a specific period of time indicating all planned revenues and expenses for the budget period.
Budget Amendment	Transferring funding from one department to another, or from an existing capital project to a new capital project; decreasing funding of a fund or department; or providing supplemental funding to a fund or department or for the establishment of a new capital project.

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Budget Calendar	The schedule of key dates which a government follows in the preparation and adoption of the budget.
Budgetary Basis	Refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual. The County utilizes the GAAP basis.
Budgetary Control	The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.
Capital Improvements	Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Assets greater than \$50,000 and having a useful life of several years.
Capital Improvements Program (CIP)	A five-year plan for capital outlay to be incurred each year over five years to meet capital needs arising from the government's long-term needs.
Capital Outlay	Fixed assets which have a value of \$5,000 or more and have 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.
Cash Basis	A basis of accounting in which transactions are recognized only when cash is increased or decreased.
Constitutional Officers	Refers to the officers or agencies directed by elected officials (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer) whose positions are established by the Constitution of the Commonwealth of Virginia or its statutes.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Contractual Services	Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.
Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.
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.
Department	The basic organizational unit of government which is functionally unique in its delivery of service.
Depreciation	Expiration in the service life of capital assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

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Disbursement	The expenditure of monies from an account.
Distinguished Budget	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budgets.
Encumbrance	The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.
Enterprise Fund	A fund to account for operations financed and operated similar to a private business where the cost of providing a good or service is recovered primarily through user charges.
Expenditure	The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.
Expenditure - Object	An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, and furniture.
Expense	Charges incurred (whether paid immediately or unpaid) on operations, maintenance, interest, or other charges.
Fiscal Year	A twelve month period (July 1 – June 30) designated as the operating fund for accounting and budgeting purposes in an organization.
Fringe Benefits	Contributions made for the government's share of costs for Social Security and the various pension, medical, and life insurance plans.
FTE	Full-time equivalent staff, considering all staff members, including full-time and part-time employees.
Function	A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (public safety for example).
Fund	A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.
Fund Balance	The excess of the assets of a fund over its liabilities, reserves, and carryover.
GAAP	Generally accepted accounting principles. Uniform minimum standards for financial accounting and recording.
GASB	The Governmental Accounting Standards Board which is the ultimate authoritative accounting and financial reporting standards setting body for state and local governments.
General Fund	The general operating fund of the County.

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GFOA	Government Finance Officers Association of the United States and Canada. The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit.
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.
Infrastructure	The physical assets of a government (streets, water, sewer, parks, buildings).
Interfund Transfers	The movement of monies between funds of the same governmental entity.
Intergovernmental Revenue	Funds received from Federal, State, or other local governments in the form of grants, shared revenues, and payments in lieu of taxes.
Internal Service Fund	A fund used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.
Levy	To impose taxes for the support of government activities.
Line-item Budget	A budget prepared along departmental lines that focuses on what is to be bought.
Net Budget	The legally adopted budget less all interfund transfers and interdepartmental charges.
Objective	Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.
Obligation	Amounts to which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.
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.
Performance Indicators	Specific quantitative and qualitative measures of work performed as an objective of specific departments and programs.
Performance Measures	Data collected to determine how effective or efficient a program is in achieving its objectives.
Personal Property	A category of property, other than real estate, identified for purposes of taxation. It includes resident owned items, corporate property, and business equipment. Examples of personal property include automobiles, motorcycles, trailers, boats, airplanes, business furnishings and manufacturing equipment.

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Proffers	Cash or property offered by contractors/developers to the City/County in land development projects. An example is a proffer of land from a developer to the County.
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.
Property Tax Rate	The dollar amount applied to the assessed value of various categories of property used to calculate the amount of taxes to be collected. The tax rate is usually expressed as an amount per \$100 of assessed valuation.
Real Property	Real estate, including land and improvements (buildings, fencing, paving) classified for purposes of tax assessment.
Reserve	An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.
Resolution	A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.
Resources	Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.
Revenue	Sources of income financing the operations of government.
Revenue Sources	Revenues are classified according to their source or point of origin.
Reversion Account	The Virginia Legislature passed a measure in 2008 to capture savings in state aid to local government programs. The reversion account is a method used to return a portion of the localities state aid back to the state for the purpose of offsetting state budget shortfalls.
Salaries and Fringe Benefits	Expenditures for salaries, wages, and the localities contributions made for the costs for Social Security and the various pension, medical, and life insurance plans.
Service Level	Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.
Special Revenue Fund	This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes resources obtained and used relating to State and Federal grants, Utilities, and Mental Health/Mental Retardation.
Target Budget	Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on the prior year's adopted budget, excluding one-time expenditures, projected revenues, and reserve requirements.

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Tax Levy	The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of all people.
Transfers In/Out	Amounts transferred from one fund to another to assist in financing the services for the recipient government.
Undesignated Fund Balance	This refers to the funds remaining from the prior year, which are available for appropriation and expenditure in the current year.
Undesignated or Unreserved Balance Fund	The portion of a fund's remaining balance that is not restricted for a specific purpose and is available for general appropriation and expenditure in the current year.
Unencumbered Balance	The amount of an appropriation that is neither expended or encumbered. It is essentially the amount of money still available for future purposes.
User Charges	The payment of a fee for direct receipt of a public service by the party who benefits from the service.
VPSA	Virginia Public School Authority, which was created by the General Assembly in 1962 for the purpose of supplementing the existing method of capital programs for public schools.