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## BUDGET GLOSSARY

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**Accounting System:** The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis Accounting:** A method of accounting for revenues and expenses when earned or incurred instead of when cash is received or spent.

**Actual:** Monies which have already been used or received as opposed to budgeted monies which are estimates of funds that may be spent or received.

**Actuarial Study:** A statistical analysis of the future costs associated with pension programs, along with a recommended annual program to meet these costs.

**AFSCME:** American Federation of State, County, and Municipal Employees.

**Appropriation:** A legal authorization granted by the City Council to make expenditures and to incur obligations for a specific purpose or program. Usually granted for a one-year period.

**Appropriation Ordinance:** The official enactment by the City Council giving the legal authority for City officials to obligate and expend resources.

**Arbitrage:** The additional investment earnings a municipality receives by borrowing (issuing bonds) at tax exempt rates and investing the proceeds at higher yielding taxable rates. The difference is the arbitrage amount which must be paid to the IRS.

**Assessed Valuation:** The estimated value placed upon real or personal property as the basis for levying property taxes.

**Audit:** An examination to determine the accuracy and validity of records and reports by an agency whose duty it is to make sure the City conforms with established procedures and policies.

**Balanced Budget:** Washington State statute requires that the City adopt a balanced budget based on the following requirement: "Appropriations shall be limited to the total of estimated revenues and the unencumbered fund balances estimated to be available at the close of the current fiscal year."

The City adopts a *statutorily* balanced budget, but the city policy for the General Government also requires a *structurally* balanced budget. In a structurally balanced budget, beginning fund balance may not be used as a revenue source to balance the budget. Expenditure appropriations are limited to current year revenues.

**BARS:** Stands for Budgeting, Accounting, Reporting System. The manual the State of Washington requires governmental entities (i.e., counties and cities) to use.

**Base Budget:** The ongoing cost to maintain the current level of service. Inflation is included in the budget without increasing any level of service.

**Benefits:** The City provided employee benefits such as social security insurance, retirement, worker's compensation, life insurance, medical insurance and dental insurance.

**Bond:** A written promise to pay a specific sum of money (principal) at a specified future date along with periodic interest rate. Bonds are typically used for long-term debt to pay for a particular capital expenditure.

**Budget:** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

**Budget Calendar:** The schedule of key dates involved in the process of adopting and then executing an adopted budget.

**Budget Hearing:** The public hearings conducted by City Council to consider and adopt the annual budget.

**Budget Policy:** An overall plan to guide present and future courses of action regarding the coordination of revenues and expenditures.

**Capital Assets:** Land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and all other tangible or intangible assets that are used in operations and have a useful life greater than one year.

**Capital Budget:** Major capital improvements which are beyond the routine operation of the city are budgeted under separate capital project funds. These projects, which often require more than one year for completion, include items such as expansion of treatment plants and reconstruction of intersections. In total, these projects are referred to as the Capital Budget and are not included in the annual operating budget.

**Capital Improvement Program (CIP):** A plan for capital expenditures to be incurred each year over a fixed period of years, identifying the expected beginning and ending date, and the amount to be expended in each year and the method of financing those expenditure**Capital Outlays:** Annual operating expenditures for the acquisition of, or addition to, capital assets. These expenditures include construction projects, land acquisition, major renovations or repairs to existing grounds or facilities, and equipment purchases.

**Capital Projects:** Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

**Cash Basis Accounting:** The method of accounting where revenues are recorded when received and expenditures are recorded when paid.

**Certificate of Participation (COP):** A type of lease-purchase financing wherein the bank serving as Trustee issues Certificates of Participation representing an undivided proportionate interest in the construction or purchase of real property. The City leases the property from the Trustee with an option to purchase at the end of the lease term. The COP owners receive proportionate shares of the stream of revenue paid by the City under the lease. COPs are backed by the full faith, credit and resources of the City.

**Consumer Price Index (CPI):** A statistical description of price levels provided by the U.S. Department of Labor. The index used as a measure of the increase in the cost of living.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures.

**Cost of Living Adjustment (COLA):** An increase in salaries to offset the adverse effect of inflation on compensation.

**Councilmanic Debt:** Debt issued with the approval of the City Council, as opposed to debt which must be approved by public vote. Councilmanic debt must not exceed 1.5 percent of the assessed valuation.

**Debt Service:** The annual payment of principal and interest on the City's indebtedness.

**Deficit:** The excess of the liabilities of a fund over its assets. The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

**Depreciation:** The periodic expiration of an asset's useful life. Depreciation is a requirement, in proprietary funds (such as enterprise and internal service funds).

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

**Employee Budget System:** The City's labor budgeting system - created and used for budgeting, planning and forecasting purposes. Calculates labor costs by individual employee position.

**EMS:** Emergency Medical Services, Fund 153. This program provides materials, training, and equipment for the delivery of prehospital patient care in the City. The primary revenue sources for the EMS fund are a voted property tax levy and transport fees.

**Encumbrance:** The commitment of appropriated funds to purchase an item or service.

**Enterprise Fund:** A type of proprietary fund containing the activities of funds where the intent is for the direct beneficiaries to pay for all costs of the fund through fees, or where a periodic determination of revenues and expenses is desired by management.

**Expenditures:** Where accounts are kept on the accrual or modified accrual basis of accounting, the costs of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

**Fiscal Year:** Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for the City of Everett begins on January 1 and ends on December 31.

**FTE:** Acronym for Full-time Equivalent. A numerical expression that indicates a given position's budgeted proportion to a "full-time" position. A position budgeted at 40 hours per week for 12 months equals 1.0 FTE. Other frequently budgeted levels are 20 hours per week (.5 FTE) to show a position that has been split between two funds because the employee's responsibilities directly affect two funds.

**Fund:** An accounting entity with its own self-balancing set of accounts recording cash and/or other sources of revenues against expenditures for specific activities.

**Fund Balance:** The excess of an entity's assets over its liabilities in a particular fund. A negative fund balance is sometimes called a deficit.

**GAAP:** Stands for Governmental Accounting, Auditing and Financial Reporting. The "blue book" is published by the Government Finance Officers Association to provide detailed guidance for the application of accounting principals for government.

**GAAP:** Stands for Generally Accepted Accounting Principles, which are accounting and reporting standards used for both private industry and government.

**GASB:** Government Accounting Standards Board regulates the rules and standards for all governmental units.

**General Fund:** The City's principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. The fund of the City that accounts for all activity not specifically accounted for in other funds. Includes such operations as police, fire, engineering, planning, finance and administration.

**General Obligation Bonds:** Bonds for which the full faith and credit of the issuing government are pledged for payment.

**GFOA:** The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership.

**Governmental Funds:** Funds generally used to account for tax-supported activities. The general fund, special revenue funds, debt service funds and capital projects funds are all governmental funds.

**Grants:** A contribution of assets (usually cash) by one governmental unit or other organization to be used or spent for a specified purpose, activity, or facility. Typically, these contributions are made to local governments from the State and Federal governments.

**IAC:** Inter-agency Committee for Outdoor Recreation

**Interfund Services/Revenue:** The term "interfund" refers to transactions between individual Funds of the City rather than transactions between the City and private companies, other governments or vendors. From a budgeting and accounting perspective, the service provider (e.g., Purchasing) will budget for both the cost of providing service and the revenue received from the service receiver (e.g., Utilities) for the service. In other words, one fund would be the customer of another and both budgets must reflect this provider-customer relationship. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting."

**Interfund Transfers:** Amounts transferred from one City fund to another.

**Intergovernmental Revenue:** Grants, entitlements, shared revenues and payment for goods and services by one government to another.

**Internal Service Funds:** A type of proprietary fund which accounts for the goods and services which are provided to other units of the City and payment by the benefiting unit is intended to fund the costs of providing such services.

**Levy:** To impose a tax, special assessment or service charge for the support of government activities. The term most commonly refers to the real and personal property tax levy.

**Levy Rate:** The rate at which taxes, special assessments or service charges are imposed. For example, the real and personal property tax levy is the rate at which property is taxed per \$1,000 of assessed valuation. The rate is determined by calculating the ratio of the maximum amount of property tax revenue allowable under state law and the total assessed valuation within the taxing district.

**LEOFF:** A state retirement system for the law enforcement and fire fighter personnel of the City.

**Liability:** Debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

**Licenses and Permits:** Charges for the issuance of licenses and permits. Licenses are required by municipalities for selected trades, occupations and other activities for regulatory purposes. Permits are issued to aid regulation of new business activities.

**L.I.D.:** A Local Improvement District (L.I.D.) is a statutorily authorized funding mechanism to finance public improvements adjacent to, and for the benefit of, private property owners.

**Mandate:** A requirement imposed by one unit of government on another unit of government.

**Major Fund:** Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

**Modified Accrual Accounting:** A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and "available for expenditure." Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

**Non-departmental Expenditures:** Expenditures that are not directly related to the operations of a single City department.

**Obfuscate:** To make obscure or to confuse.

**Object of Expenditure:** Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include personnel services (wages and salaries), contracted services (utilities, maintenance contracts, etc.) supplies and materials, and capital outlays.

**Operating Budget:** The annual appropriation to maintain the provision of City services to the public.

**Other Services and Charges:** A basic classification for services other than personnel services that are needed by the City. This budget item includes professional services, communication, travel, advertising, rentals and leases, insurance, public utility services, repairs and maintenance, and miscellaneous.

**Performance Objectives:** A statement that describes in specific and measurable terms the results that the program is expected to achieve within a certain time-frame.

**Program:** A broad function or area of responsibility of government services. It is a basic organizational unit of government that is composed of a group of specific activities and operations directed at attaining a common purpose or goal.

**Proprietary Fund:** See Enterprise Fund.

**Proposed Budget:** The recommended and unapproved City budget submitted to the City Council and public in October/November of each year.

**PERS:** Stands for Public Employees Retirement System provided for all regular City employees, other than law enforcement and fire fighter personnel, by the State of Washington.

**Reappropriation:** A legal authorization granted by the City Council to reappropriate expenditures to the current budget year for a specific purpose or program that was budgeted but unexpended at the end of the prior year.

**Reserve:** A segregation of assets to provide for future use toward a specified purpose.

**Resources:** Total dollars available for appropriations including estimated revenues, transfers and beginning fund balances.

**Revenue:** Income received by the City to support programs or services to the community. It includes such items as taxes, fees, user charges, grants, fines, forfeits, interest income and miscellaneous revenue.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific source for some future period; typically, one year.

**Salaries and Wages:** Amounts paid for services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and seasonal help.

**Service Measures:** Specific quantitative measures of work performed within an activity or program (i.e., total miles of streets cleaned). Also a quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program).

**Special Assessment Debt:** Principal and interest on bonds related to Local Improvement Districts. This type of debt is callable when money is available to make payments which occurs when prepayments are received from property owners. The City budgets as if the entire debt will be paid in the current year, although this is highly unlikely.

**Special Revenue Funds:** General government funds where the source of revenue is dedicated to a specific purpose.

**Strategic Outlook:** Document created and used by the City of Everett for budget planning in a five-year horizon.

**Supplemental Appropriation:** An appropriation approved by the Council after the initial budget appropriation.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments, or charges for services rendered only to those who pay; for example, sewer service charges.

**Transfers:** Internal movements of revenue and expenses among funds in the budget to provide needed sources of funding for expenses incurred on behalf of another fund.

**Trust Fund:** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

**Working Capital:** The year-end balance of current assets less current liabilities.

**Workload Measure:** A unit of measure to identify the amount of work or product generated from specific activities. They form the basis for determining the unit's success at reaching its performance objectives.

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## BUDGET ACRONYMS

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ACT – Anti-Crime Team  
ADA – Americans with Disabilities Act  
AED – Automated External Defibrillator  
AFSCME – American Federation of State, County and Municipal Employees  
AHERA – Asbestos Hazard Emergency Response Act  
ALERT – Allied Law Enforcement Response Team  
ALS – Advanced Life Support  
ASARCO – American Smelting and Refining Company  
AV – Assessed Valuation  
AWC – Association of Washington Cities  
B & O – Business and Occupation (excise tax)  
BIA – Business Improvement Area  
BLS – Basic Life Support  
BMP – Best Management Practices  
BOD – Biochemical – Oxygen Demand  
CAA – Chief Administrative Assistant  
CAD – Computer Aided Design  
CAFR – Comprehensive Annual Financial Report  
CALEA – Commission on Accreditation of Law Enforcement Agencies  
CAM – Common Area Maintenance  
CAP – Cleanup Action Plan  
CAPER – Consolidated Annual Performance and Evaluation Report  
CDBG – Community Development Block Grant  
CDC – Center for Disease Control  
CERT – Community Emergency Response Team  
CFO – Chief Financial Officer  
CHART – CHRONIC Utilizer Alternative Response Team  
CHIP – Community Housing Improvement Program  
CIP – Capital Improvement Program  
CIT – Crisis Intervention Training  
CIU – Criminal Intelligence Unit  
COBRA – Consolidated Omnibus Budget Reconciliation Act  
COE – City of Everett  
COTS – Corrections Tracking System  
CPR – Cardiopulmonary Resuscitation  
CPS – Child Protective Services

CPTED – Crime Prevention Through Environmental Design  
CQ – Citizen Questions  
CSO – Combined Sewer Overflow  
CT – Community Transit  
CTR – Commute Trip Reduction  
DOE – Department of Ecology  
DOH – Department of Health  
DOT – Department of Transportation  
DSEIS – Draft Supplemental Environmental Impact Statement  
DTO – Drug Trafficking Organizations  
DUI – Driving Under the Influence  
DV – Domestic Violence  
EAAMAC – Everett Area Apartment Manager’s Association Council  
EAP – Employee Assistance Program  
ECE-12 – Early Childhood Education (early to 12<sup>th</sup> grade)  
EDMS – Electronic Document Management System  
EEL – Everett’s Environmental Laboratory  
EEO – Equal Employment Opportunity  
EHD – Electronic Home Detention  
EIS – Environmental Impact Statement  
EMC – Environmental Monitoring and Compliance  
EMS - Emergency Management Services  
EMT – Emergency Medical Technician  
EOC – Emergency Operations Center  
EPAC – Everett Performing Arts Center  
EPD – Everett Police Department  
EPL – Everett Public Library  
ESA – Endangered Species Act  
EVAP – Emergency Vehicle Accident Prevention  
EVOC – Emergency Vehicle Operations Certification  
EVTV – Everett Television  
EWSA – Everett Water Service Area  
FDM – Fire Data Management  
FERC – Federal Energy Regulatory Commission  
FIU – Computer and Digital Forensics Unit  
FMLA – Family Medical Leave Act  
FTA - Federal Transit Authority  
FTA – Federal Transportation Administration

FTE – Full Time Equivalent  
FTO – Field Training Officer  
FY – Fiscal Year  
GAAP – Generally Accepted Accounting Principals  
GASB – Governemntal Accounting Standards Board  
GECF – Greater Everett Community Foundation  
GFOA – Government Finance Officers Association  
GIS – Geographic Information Services  
GO Debt – General Obligation Debt  
HIPAA – Health Insurance Portability and Accountability Act  
HMA – Healthcare Management Administrator  
HOV – High Occupancy Vehicle  
HR – Human Resources  
HRIS – Human Resource Information System  
HTF – (Affordable) Housing Trust Fund  
HUD – Housing and Urban Development  
IBNR – Incurred But Not Reported  
ICAC – Internet Crimes Against Children  
ICART – Interagency Child Abduction Response Team  
ICE – Immigration and Customs Enforcement  
ICLEI – International Council for Local Environmental Issues  
ICS – Incident Command System  
ID – Identification  
IFMA – International Facility Management Association  
ILL – Interlibrary Loan  
ILS – Integrated Library System  
IPD – Implicit Price Deflator  
IPT – Industrial Pretreatment  
IRS – Internal Revenue Service  
ISO – Insurance Services Offices, Inc.  
IT – Information Technology  
ITIL – Information Technology Infrastructure Library  
JTAG – Joint Test Action Group  
L&I – Labor & Industries  
LAP – Language Assistance Program  
LEOFF – Law Enforcement Officers’ and Fire Fighters (retirement system)  
LERMS – Law Enforcement Records Management System  
LGIP – Local Government Investment Pool

LID – Local Improvement District  
LIMS – Laboratory Information Management System  
LIO – Local Integrating Organization  
LLC – Limited Liability Corporation  
LTGO – (Limited Tax General Obligation (Bonds)  
M&O – Maintenance & Operations  
MCO – Multi-Company Operations  
MG – Million Gallons  
MGD – Million Gallons per Day  
MGMT – Management  
MSDS – Material Safety Data Sheet  
MVD – Motor Vehicle Division/Department  
NFPA – National Fire Protection Association  
NIBRS – National Incident Based Reporting System  
NIMS – National Incident Management System  
NLC – National League of Cities  
NMFS – National Marine Fisheries Service  
NPDES – National Pollution Discharge Elimination System  
NSF – Non Sufficient Funds  
NSIS – North Snohomish, Island and Skagit County Higher Education Consortium  
NW HIDTA – Northwest High Intensity Drug Trafficking Area  
OCLC – Online Computer Library Center  
OLLI – Osher Lifelong Learning Institute  
OMWBE – Office of Minority & Women’s Business Enterprises  
ORCA – One Regional Card for All  
OSHA – Occupational Safety and Health Administration  
PC – Personal Computer  
PE – Project Engineer  
PEG – Public Education & Government  
PEO – Parking Enforcement Officer  
PERS – Public Employee Retirement System  
PFD – Public Facilities District  
PILOT – Payment in Lieu of Tax  
PR – Public Relations  
PSCAA – Puget Sound Clean Air Agency  
PSR – Police Skills Refresher Training  
RCW - Revised Code of Washington  
RDA – Recommended Daily Requirement

REET – Real Estate Excise Tax  
RFID – Radio Frequency Identification  
RFP – Request for Proposals  
RMS – Records Management System  
ROW – Right of Way  
RPM – Resource and Project Management  
RSO – Registered Sex Offender  
RSS – Rich Site Summary  
SAU - Special Assault Unit  
SCADA – Supervisory Control and Data Acquisition system  
SCBA – Self Contained Breathing Apparatus  
SCSO – Snohomish County Sheriff’s Office  
SEPA – State Environmental Policy Act  
SERS – Snohomish County Emergency Radio System  
SIU – Special Intelligence Unit  
SMART – Snohomish County Multi-Agency Response Team  
SNOPAC – A regional public safety communications center that receives law enforcement, fire and Medical 9-1-1 calls for 37 Snohomish County jurisdictions  
SOAP – Stay Out of Areas of Prostitution  
SODA – Stay Out of Drug Areas  
SOG – Special Operations Group  
SOP – Standard Operating Procedure  
SQL – Structured Query Language  
SRDTF – Snohomish Regional Drug Task Force  
SRRWA – Snohomish River Regional Water Authority  
SSTF – Secret Service Task Force  
TAD – Transdermal Alcohol Device  
TBD – Transportation Benefit District  
UGA – Urban Growth Area  
US – United States  
USFWS – US Fish and Wildlife Services  
USO – United Service Organizations  
UW – University of Washington  
VNS – Visiting Nurse Services  
VRD – Variable Rate Demand (Bonds)  
VRDB – Variable rate demand bonds  
WAC – Washington Administrative Code  
WAC – Washington Administrative Code

WFP – Water Filtration Plant

WPCF – Water Pollution Control Facility

WSDOE – Washington State Department of Ecology

WSDOT – Washington State Department of Transportation

WSP – Washington State Patrol