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## GLOSSARY

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This section presents definitions for some of the terms one may encounter when reviewing this budget document.

**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 of 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 received or used 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 those costs.

**Advanced Refunding:** Bonds issued to retire an outstanding bond issue prior to the date on which the outstanding bonds become due.

**Appropriation:** A legal authorization granted by the legislative body (City Council) to make expenditures and to incur obligations for a specific purpose or program. Appropriations are typically granted for one-year periods.

**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.

**Asset:** Resources owned or held by a government that have monetary value.

**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."

**Budgeting, Accounting, and Reporting System (BARS):** The Washington State Auditor's Office prescribed and required reporting system for all governmental entities in the State of Washington.

**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, at a specified interest rate. Bonds are typically used to finance capital projects.
- 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 preparation and adoption of the 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 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, the amount to be expended in each year, and the method of financing those expenditures.
- Capital Outlay:** 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:** Major construction, acquisition, or renovation that adds value to physical assets or significantly increase the useful life. 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.
- Chart of Accounts:** A list of revenue, expenditure, and other accounts describing and categorizing financial transactions.
- Consumer Price Index (CPI):** A statistical measure of the average change over time in prices paid by urban consumers for a market basket of goods and services. The index is used as a measure of change in the cost of living (i.e., inflation).
- 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 City's total assessed valuation.
- Credit Rating:** The credit worthiness of a governmental unit as determined by an independent rating agency.
- Debt Service:** The annual payment of principal and interest on the City's outstanding debt.
- 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 expiration of an asset's value and/or useful life with the passage of time, due in particular to wear and tear.
- Distinguished Budget Presentation Awards Program:** A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.
- Double Budgeting:** The result of having funds or departments purchase services from one another rather than outside vendors. When internal purchasing occurs, both the "buyer" and the "seller" of services must have a budget. The "buyer" has to budget the expenditure and the "seller" must have resources in its budget to provide the service. This type of transaction results in higher budget values because the same expenditure or revenue dollar is budgeted twice, once in each fund.
- Employee Budget System (EBS):** The City's labor budgeting system - created and used for budgeting, planning and forecasting purposes. Calculates labor costs by individual employee position.
- Encumbrance:** The commitment of appropriated funds to purchase an item or service.
- Enterprise Fund:** A proprietary fund type used to report an activity for which a fee is charged to external users. In most cases, the intent is for the beneficiary of the service(s) to pay the full cost of the service. However, this fund type is also used when a periodic determination of revenues and expenses is desired by management to highlight the extent that fees and charges are covering the cost of providing services.
- Expenditures:** Where accounts are kept on the accrual or modified accrual basis of accounting, expenditures are recognized when goods are received or services are 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 are made.
- Fiscal Year:** A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Everett's fiscal year is the same as the calendar year.
- 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 that is used to record financial transactions relating to cash and other financial resources, together with all liabilities and residual balances, that are segregated in order to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

- Fund Balance:** The difference between a fund's assets and liabilities. A negative fund balance is sometimes called a deficit.
- GAAFR:** 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 principles for government.
- GAAP:** Stands for Generally Accepted Accounting Principles, which are accounting and reporting standards used for both private industry and government.
- GASB:** Stands for Government Accounting Standards Board, an independent organization that establishes accounting and financial reporting standards for U.S. state and local governments.
- 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. This fund accounts for all activity not specifically accounted for in other funds, including 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.
- 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.
- 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 that accounts for goods and services 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 revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are recognized, when incurred. This accounting method 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 Measure:** A measure or combination of measures that describes in specific and measurable terms the results that the program is expected to achieve within a certain time-frame.

**Preantepenultimate:** Fourth from the last.

**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.

**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 appropriation including estimated revenues, transfers and beginning fund balances.

**Revenue:** Income received by the City to support programs or services to the community, including 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.

**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 payments are received from property owners.

**Special Revenue Funds:** A type of governmental fund where the source of revenue is dedicated to a specific purpose.

**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 difference between current assets less current liabilities.

**Workload Measure:** A unit of measure to identify the amount of work or product generated from specific activities.

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## ACRONYMS

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The following is a list of acronyms that have been used in this budget document.

ACT – Anti-Crime Team

ADA – Americans with Disabilities Act

AED – Automated External Defibrillator

AFSCME – American Federation of State, County and Municipal Employees

AHTF - Affordable Housing Trust Funds

ALS – Advanced Life Support

ASHRAE - American Society of Heating, Refrigeration, and Air Conditioning Engineers

AV – Assessed Valuation

AWC – Association of Washington Cities

B & O – Business and Occupation (excise tax)

BIA – Business Improvement Area

BLS – Basic Life Support

CAD – Computer Aided Design

CAFR – Comprehensive Annual Financial Report

CAP – Cleanup Action Plan

CDBG – Community Development Block Grant

CDC – Center for Disease Control

CEMP - Comprehensive Emergency Management Plan

CERT – Community Emergency Response Team

CFP - Capital Facilities Plan

CHART – Chronic Utilizer Alternative Response Team

CHIP – Community Housing Improvement Program

CIO - Chief Information Officer

CIP – Capital Improvement Program

CIU – Criminal Intelligence Unit

COE – City of Everett

COET - Community Outreach and Enforcement Team

CPR – Cardiopulmonary Resuscitation

CPS – Child Protective Services

CPED - Community, Planning, and Economic Development

CPTED – Crime Prevention Through Environmental Design

CRA - Community Risk Assessment

CSO – Combined Sewer Overflow

CT – Community Transit

CTR – Commute Trip Reduction

DBE - Disadvantaged Business Enterprise

DOE – Department of Ecology

DOH – Department of Health

DOL - Department of Licensing

DOT – Department of Transportation

DTO – Drug Trafficking Organizations

DUI – Driving Under the Influence

DV – Domestic Violence

EAP – Employee Assistance Program

EEO – Equal Employment Opportunity

EFD - Everett Fire Department

EHD – Electronic Home Detention

EIS – Environmental Impact Statement

EMS - Emergency Medical Services

EMT – Emergency Medical Technician

EOC – Emergency Operations Center

EPAC – Everett Performing Arts Center

EPD – Everett Police Department

EPL – Everett Public Library

ERT - Emergency Response Team

ESA – Endangered Species Act

FERC – Federal Energy Regulatory Commission

FMLA – Family Medical Leave Act

FTA - Federal Transit Authority



FTE – Full Time Equivalent

FTO – Field Training Officer

FY – Fiscal Year

GAAP – Generally Accepted Accounting Principals

GASB – Governmental Accounting Standards Board

GECF – Greater Everett Community Foundation

GFOA – Government Finance Officers Association

GIS – Geographic Information System

GMA - Growth Management Act

GO Debt – General Obligation Debt

HIPAA – Health Insurance Portability and Accountability Act

HMA – Healthcare Management Administrator

HRA - Health Reimbursement Arrangement

HRIS – Human Resource Information System

HTF – (Affordable) Housing Trust Fund

HUD – Housing and Urban Development

IBNR – Incurred but Not Reported

IAFF - International Association of Firefighters

ICART – Interagency Child Abduction Response Team

ICE – Immigration and Customs Enforcement

ICS – Incident Command System

ILL – Interlibrary Loan

ILS – Integrated Library System

IPD – Implicit Price Deflator

IRS – Internal Revenue Service

JIS - Judicial Information System

L&I – Labor & Industries

LEOFF – Law Enforcement Officers’ and Fire Fighters’ (retirement system)

LGIP – Local Government Investment Pool

LID – Local Improvement District

LTGO – Limited Tax General Obligation (Bonds)

M&O – Maintenance & Operations

MG – Millions of Gallons

MSO - Medical Services Officer

MVD – Motor Vehicle Division

NFPA – National Fire Protection Association

NIBRS – National Incident Based Reporting System

NIMS – National Incident Management System

NLC – National League of Cities

NPDES – National Pollutant Discharge Elimination System

OCLC – Online Computer Library Center

OIT - Operator in Training

OLLI – Osher Lifelong Learning Institute

OMWBE – Office of Minority & Women’s Business Enterprises

OPEB - Other Post-Employment Benefits

ORCA – One Regional Card for All

OSHA – Occupational Safety and Health Administration

PE – Project Engineer

PEG – Public, Educational, and Governmental (access tv)

PEO – Parking Enforcement Officer

PERS – Public Employee Retirement System

PFD – Public Facilities District

PILOT – Payment in Lieu of Tax

PPAF - Personal/Payroll Action Form

PSCAA – Puget Sound Clean Air Agency

PSRC - Puget Sound Regional Council

PUD - Public Utility District

PW - Public Works

RCW - Revised Code of Washington

REET – Real Estate Excise Tax

RFP – Request for Proposals

RMS – Records Management System

ROW – Right of Way

RSO – Registered Sex Offender

SAU - Special Assault Unit

SCADA – Supervisory Control and Data Acquisition System

SCBA – Self Contained Breathing Apparatus

SCORE - South Correctional Entity

SCSO – Snohomish County Sheriff’s Office

SCT - Snohomish County Tomorrow

SEPA – State Environmental Policy Act

SERS – Snohomish County Emergency Radio System

SIR - Self-Insured Retention

SIU – Special Intelligence Unit

SMART – Snohomish County Multi-Agency Response Team

SNO911 - Snohomish County 911

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

SWHF - Solid Waste Handling Facility

TAD – Transdermal Alcohol Device

TBD – Transportation Benefit District

TIP - Transportation Improvement Plan

TSG - Technical Services Group

UGA – Urban Growth Area

USFWS – US Fish and Wildlife Services

VEBA - Voluntary Employees’ Beneficiary Association

VRDB – Variable rate demand bonds

WAC – Washington Administrative Code

WFP – Water Filtration Plant

WISHA - Washington Industrial Safety and Health Act

WPCF – Water Pollution Control Facility

WSP – Washington State Patrol

WWTP - Wastewater Treatment Plant