

# Glossary

**ACCOUNT:** A record of the additions, deletions and balances of individual revenues and expenditures.

**ACCOUNTING SYSTEM:** The records and procedures used by the City to record, classify and report information relating to the financial status and operations of the City.

**ACCRUAL BASIS OF ACCOUNTING:** The method of accounting by which revenue is recorded when earned (even though the cash may not have been received yet) and expenditures are recorded when the goods and/or services are received (even though the cash disbursements may not have been made yet).

**ADVANCE REFUNDING BONDS:** Bonds which are issued to refinance an outstanding bond issue before the date at which the outstanding bonds become due.

**AGENCY FUNDS:** One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

**APPROPRIATION:** The legal authorization by the City Council for the administration of the City to incur obligations and make expenditures. Appropriations are for fixed amounts, granted for a definite period of time and accomplished by ordinances passed in open public meetings.

**ASSESSED VALUE (AV):** The fair market value of both real property (land and buildings) and personal property in the City as determined by the Cowlitz County Assessor for the purpose of computing property taxes.

**ASSESSMENT BONDS:** Bonds issued by the City on behalf of an LID for an improvement. The bonds are secured by special assessment.

**ASSETS:** Resources which have monetary value held or owned by the City.

**BARS:** The State of Washington Budgeting, Accounting and Reporting System which must be followed by the City.

**BASELINE BUDGET:** Budget proposals which are sufficient to maintain the programs of service authorized by the City Council.

**BASIS OF ACCOUNTING:** The timing of recognition, that is, when the effects of transactions or events can be recognized for financial reporting purposes.

**BEGINNING RESERVES:** The excess of assets over liabilities in a fund.

**BENEFITS:** Employee benefits paid by the City. Examples include: social security, pension contributions, workmen's compensation, health insurance, etc.

**BOND:** A written promise by the City to pay a specified sum of money, called the principal, at a specified future date, called the maturity date, together with the interest. The City may use bonds to finance public improvements.

**BOND ANTICIPATION NOTE (BAN):** A short-term, interest-bearing note issued by the City in anticipation of a bond issue. The BAN is paid from the proceeds of the bond issue after it is sold.

**BONDED INDEBTEDNESS:** The portion of the City's debt represented by its outstanding bonds.

**BUDGET:** The financial plan containing the expenditures and the proposed means of financing them for the operation of the City's programs. A budget may also serve as a financial plan for a particular project from beginning to completion.

**BUDGET CALENDAR:** The schedule of key dates which the City must follow in the preparation and adoption of the budget. Our budget calendar is found in RCW 35A.34.

**BUDGET DOCUMENT:** The actual printed document used by the City Manager to present a comprehensive financial plan to the City Council and public.

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**BUDGET MESSAGE:** The general discussion of the proposed budget as presented in writing by the City Manager to the City Council and public. RCW 35A.34.090 pertains to our budget message.

**BUDGETARY BASIS OF ACCOUNTING:** The method used to determine when revenues and expenditures are recognized for budgeting purposes.

**CAFR:** The Comprehensive Annual Financial Report contains information pertaining to our financial position and activities. The CAFR is published and is a matter of public record.

**CAPITAL ASSETS:** Land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have a useful life extending beyond a single reporting period.

**CAPITAL EXPENDITURES:** Expenditures which result in the acquisition of or addition to our fixed assets.

**CAPITAL IMPROVEMENT BUDGET:** A plan of proposed capital expenditures and the means of financing them. The capital improvement budget is based on the Capital Improvement Plan.

**CAPITAL IMPROVEMENT PLAN (CIP):** The plan of proposed capital projects for public improvements, with estimated costs, sources of funding and timing of work over a certain period of time. The CIP can be the basis for budget requests and bond issues.

**CAPITAL PROJECTS FUND:** A fund which contains the resources necessary to acquire or construct major capital facilities and improvements.

**CASH:** Currency, coin, checks, money orders and bankers drafts on hand or on deposit.

**CASH BASIS ACCOUNTING:** The method of accounting by which revenue is recorded when received in cash and expenditures are recorded when paid.

**CDID #1:** Consolidated Diking Improvement District #1 is the local agency responsible for the operation and maintenance of the dikes and ditches which protect portions of the City.

**CHARGES FOR SERVICES:** A type of revenue which results from the collection of a charge or fee for a particular City service. An example is recreation fees.

**COMPONENT UNIT:** A legally separate organization for which the elected officials of the primary government are financially accountable.

**CONNECTION FEES:** Fees charged to join or extend an existing utility system. Often referred to as tap fees or system development fees.

**COST:** The amount of money or other consideration exchanged for goods and services received by the City.

**COUNCILMANIC BONDS:** Bonds issued by the City Council and not voted on by the public. Councilmanic Bonds must not exceed one and one-half percent of the City's assessed valuation (AV).

**COWLITZ TRANSIT AUTHORITY:** The special purpose district which provides transit services to our area.

**CWCOG:** Cowlitz-Wahkiakum Council of Governments is our regional two-county planning agency.

**CTED:** Department of Community, Trade and Economic Development, the state agency which administers the Public Works Trust Fund Loan Program.

**DEBT:** An obligation resulting from the borrowing of money or from the purchase of goods and services received by the City.

**DEBT SERVICE:** The payment of interest and the repayment of the principal to the holders of the City's bonded indebtedness.

**DEBT CAPACITY:** The amount of debt which the city decides to assume given legal limits and fiscal policies.

**DEBT SERVICE FUND:** A fund established to provide for the payment of long-term debt principal and interest.

**DEFERRED REVENUE:** Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue.

**DELINQUENT TAXES:** Taxes remaining unpaid on or after the date at which a penalty for nonpayment is attached.

**DEPARTMENT:** The basic organizational unit of the City administration.

**DEPARTMENT HEAD:** The staff member who directs a City department.

**EFFICIENCY:** Term used in connection with the evaluation of internal controls and performance measurement. The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

**EMINENT DOMAIN:** The power of the City to acquire private property for public purposes.

**ENDING BALANCE:** The estimated amount of cash and investments that have not been appropriated, or the actual amount that has not been spent at the end of a budget period.

**ENTERPRISE FUND:** A fund which contains City operations financed and operated in a manner similar to a private business enterprise. Income is received from user charges. An example is the Water-Sewer Fund.

**EQUIPMENT RENTAL:** A self-sufficient motor and equipment pool. City departments pay for the vehicles and equipment they use through charges billed to them by the pool.

**EXPENDITURES:** The costs to the City for goods received or services rendered. Decreases in net financial resources under the current financial resources measurement focus.

**FEES:** The charges for services which are associated with providing a service or permitting an activity.

**FIDUCIARY FUND:** A fund established to account for assets held by the City of Longview as a trustee or agent for various individuals, private organizations and other governmental units. Longview budgets one Fiduciary Fund, the Fire Pension Fund.

**FINANCIAL AUDITS:** Audits designed to provide independent assurance of the fair presentation of financial information.

**FINES & FORFEITURES:** The revenue account which includes court, police, traffic and parking fines and forfeitures.

**FISCAL BIENNIUM:** The period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year.

**FIXED ASSETS:** Assets which are long-term and intended to be held or used. Examples: land, buildings, machinery and equipment.

**FORECLOSURE:** The seizure of property as payment for delinquent tax or special assessment obligations.

**FRANCHISE:** A special privilege granted by the City which permits the long-term continuing use of public property. A franchise usually involves a monopoly and is regulated by the City.

**FUND:** An independent fiscal entity with balanced revenues and expenditures which is segregated in the budget and is created for the purpose of attaining certain objectives.

**FUND BALANCE:** The difference between the assets and liabilities of a fund.

**FUND ACCOUNTING:** The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts.

**GASB:** The Governmental Accounting Standards Board is the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

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**GENERAL FUND:** The specific fund which contains most of the tax supported activities of the City. In the City's annual budget, the General Fund is divided into departments.

**GENERAL OBLIGATION BONDS:** Bonds for which the City pledges its tax base to repay the debt.

**GIS (Geographic Information System):** Computer based automated mapping of City infrastructure and land use.

**GOAL:** A long-term vision of the future which is a target for the City.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA):** An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of Generally Accepted Accounting Principles (GAAP) for state and local governments since its inception.

**GRANT:** The contribution of cash or other resources to the City to be used for a specific purpose from another governmental unit or an organization.

**GRANT ANTICIPATION NOTE (GAN):** A short-term, interest-bearing note issued by the City in anticipation of a grant. The GAN is repaid from the proceeds of the grant.

**HOME FUND:** The fund required by the provisions of the National Affordable Housing Act of 1990 in order to receive federal funds for housing programs for low and moderate income persons.

**I & I (Inflow & Infiltration):** The introduction of storm or ground water into the sanitary sewer system through direct connection or broken lines.

**IMPACT FEES:** Fees charged to developers of property to cover, in whole or in part, the anticipated costs to the City of their developments.

**IMPROVEMENT:** An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity.

**INFRASTRUCTURE:** Facilities upon which the community depends for growth and continuence. Examples: streets, water/sewer lines, etc.

**INTERFUND LOANS:** Amounts provided between funds with a requirement for repayment.

**INTERFUND TRANSFERS:** Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment.

**INTERGOVERNMENTAL REVENUE:** Revenue received by the City from other units of government.

**INTERNAL SERVICE FUND:** A fund used to account for the provision of goods and services by one department of the City to another department, or to another unit of government. An example is the Equipment Rental Fund.

**INVESTMENT:** Securities purchased by the City and held for the production of income from interest, dividends or payments.

**LEOFF:** The Law Enforcement Officers and Firefighters Retirement System established by the State of Washington.

**LEVY:** The imposition of taxes, special assessments or service charges for the support of City activities.

**LIABILITIES:** Debt or other legal obligations which must be liquidated, renewed, or refunded at a later date.

**LICENSES & PERMITS:** Revenue received from the issuance of licenses and permits to businesses and occupations which transact business within the City.

**LID:** A Local Improvement District is a special assessment made against certain properties to defray part or all of the cost of a specific improvement which benefits primarily the properties that pay the assessment.

**LTGO BONDS:** Limited Tax General Obligation Bonds are non-voted bonds which are secured by the full faith and credit of the City and subject to an annual tax levy.

**MAINTENANCE:** The process involved in keeping capital assets in a state of good repair.

**MISCELLANEOUS REVENUE:** Revenue sources which are not provided for in other revenue categories. An example is the income received from interest earned from our investments.

**MISSION STATEMENT:** Objectives which tie to our goals.

**MODIFIED ACCRUAL BASIS OF ACCOUNTING:** The method of accounting by which the revenue is recorded when available and measurable, and the expenditures are recorded when the liability is incurred.

**NON REVENUE:** Cash receipts which are not revenues.

**NOTE:** A written promise by the City to pay a certain sum of money on demand or at a fixed time. Notes are for longer periods of time than Bonds and are more formal.

**ORDINANCE:** A formal legislative act by the City Council which has the full force and effect of law within the City Limits.

**OTHER REVENUE:** Proceeds from general long-term debt.

**OTHER SERVICES & CHARGES:** Expenditures for services provided by a governmental entity or a private company. Examples include consulting services and insurance costs.

**P.E.R.S.:** Public Employees Retirement System established by the State of Washington.

**PERMANENT FUNDS:** Permanent funds are used to report resources that are legally restricted where only earnings, and not principal, may be used to support government programs. Longview's only Permanent Fund is titled the Library Memorial Trust Fund.

**PRELIMINARY BUDGET:** The recommended, but unapproved, budget for the ensuing fiscal biennium submitted by the City Manager to the City Council and public.

**PROPERTY TAX LEVY - REGULAR:** The amount of property tax allowable under law which we may levy without approval by the voters.

**PROPERTY TAX LEVY - SPECIAL:** The amount of property tax in excess of the "regular levy" and which is voted upon by the voters.

**P.U.D.:** Cowlitz County Public Utility District, the county-wide electric utility.

**PROGRAM:** A specific and distinguishable unit of work or a service performed by the City.

**PUBLIC WORKS TRUST FUND:** A statewide program of low interest loans for public improvements established by the state legislature.

**R.C.W.:** The Revised Code of Washington (state statutes).

**REAL ESTATE EXCISE TAX:** The excise tax imposed on the sale of real property.

**REFUNDING:** The issuance of new debt whose proceeds are used to repay previously issued debt.

**RESERVED FUND BALANCE:** The portion of a governmental funds's net assets that is not available for appropriation.

**RESOLUTION:** A special or temporary order of the City Council which is less formal than an ordinance.

**RESOURCES:** Total dollars available for appropriation.

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**REVENUE:** The income received by the City to support its program of services to the public.

**REVENUE BONDS:** Bonds whose principal and interest are paid from the earnings of an Enterprise Fund. An example is Water-Sewer Bonds.

**SECURITIES:** Bonds, notes, mortgages, or other forms of investment instruments.

**SHARED REVENUE:** Revenue collected by one government unit and shared on a pre-determined basis with another governmental unit. An example is the State of Washington Motor Vehicle Fuel Tax which is shared with the City on a per capita basis.

**SPECIAL REVENUE FUND:** A fund used to provide for the proceeds of specific revenue which is legally restricted to specific expenditures. An example is the Arterial Street Fund.

**STRATEGIC PLANNING:** The process by which we envision the future of the City and develop the procedures and programs necessary to achieve that future.

**SUPPLEMENTAL APPROPRIATION:** An appropriation approved by the City Council after the budget has been adopted.

**SYSTEM DEVELOPMENT FEES:** Fees charged by the City to pay for the extension of its existing utility system.

**TAXES:** The compulsory charges levied by government for the purpose of financing public services provided by the government.

**TAX ANTICIPATION NOTE (TAN):** A short-term, interest-bearing note issued by the City in anticipation of the collection of taxes. The TAN is repaid from the proceeds of the tax.

**TRANSFERS OUT:** The transfer of resources from one fund to another.

**TRUST AND AGENCY FUND:** A fund which accounts for funds held by the City acting in the role of a trustee for individuals and/or organizations. An example is the Library Memorial Trust Fund.

**U.T.G.O. BONDS:** Unlimited Tax General Obligation Bonds are voted bonds which are secured.