
GLOSSARY OF BUDGET TERMS

Appropriation - An authorization by the City Council to expend moneys and incur obligations for specific purposes.

Appropriation Unit - A budget category such as Salaries and Benefits; Services and Supplies; or Capital Outlay.

Assessed Valuation - A dollar value placed upon real estate or other property by Ventura County as a basis for levying property taxes.

Audit - A review of the City's accounts by an independent accounting firm to verify that the City's financial statements accurately reflect the City's financial position.

Beginning/Ending (Un-appropriated) Fund Balance - Unencumbered resources available in a fund from the prior/current fiscal year, after payment of the prior/current fiscal year's expenditures/expenses. This is not necessarily cash on hand.

Bond - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Budget - A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period, and the proposed means of financing. Santa Paula's annual budget encompasses one fiscal year.

Capital Improvement - A permanent major addition to the City's real property assets with an estimated cost generally in excess of \$25,000 and a useful life of five years or more, including the design, construction, or purchase of land, buildings or facilities, or major renovations of same.

Capital Improvement Plan - A financial plan of proposed capital improvement projects and the means of financing them for a given period of time. The City's Capital Improvement Program covers a six-year period.

Capital Outlay - A budget category which includes equipment having a unit cost or more than \$5,000 and an estimated useful life of more than one year. Major Capital Outlays are those items having a unit cost of \$5,000 or more.

Debt Service - Payment of interest and principal on an obligation resulting from the issuance of bonds, notes, or certificates of indebtedness.

Deficit - An excess of expenditures or expenses over revenues (resources).

Department - An organizational unit comprised of one or more divisions.

Designated Reserve - Funds specifically appropriated and set aside for anticipated expenditure requirements, which are uncertain.

Discretionary - Resources that the City Council can use for any legal Government purpose.

Division - An organizational subdivision of a department.

Encumbrance - A commitment of funds for goods or services on order.

Enterprise Fund - A fund established to account for the total costs of those governmental facilities and services that are operated in a manner similar to private enterprises. These programs are entirely or predominantly self-supporting.

Entitlement - Grant or subvention funds available to the City on the basis of population or other established criteria, rather than based on competition or unique factors among agencies.

Expenditure - The actual spending of funds.

Expense - The actual spending of Proprietary Funds (Enterprise and Internal Service Fund types).

Fiscal Year - A twelve-month period of time. The Santa Paula fiscal year begins July 1 and ends June 30 of each year.

Fringe Benefits - A budget category, which includes all expenses for employee benefits such as cafeteria plan, retirement, Medicare, and worker's compensation insurance.

Full-Time Equivalent - The amount of time a regular full or part-time position has been budgeted for in terms of the amount of time an employee works in a year.

Fund - An independent fiscal and accounting entity used to set forth the financial position and results of operations related to the specific purpose for which the fund was created.

Fund Balance - The amount of financial resources available for use. Generally, this represents the detail of all the annual operating surpluses and deficits since the fund's inception.

General Fund - The City's principal operating fund, which is supported by taxes and fees which can be used for any legal government purpose.

General Obligation Bond - Bonds used for various purposes and repaid by the regular (usually the General Fund) revenue raising powers of the City.

Grants - Contributions or gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility. An example is the Community Development Block Grant given by the Federal government.

Infrastructure - Facilities on which the continuance and growth of a community depend on such as roads, water lines, sewers, public buildings, parks and so forth.

Inter-fund Transfers - Moneys transferred from one fund to another. Such money is transferred to finance the operations of another fund or to reimburse the fund for certain expenditures/expenses.

Internal Service Fund - Internal Service Funds provide service to all City departments and bill the other Funds for services rendered, as would a private business. An example is the Equipment Maintenance Fund.

Lease-Purchase Agreement – Agreements which are contractual and are termed leases, but whose lease amount is applied to the purchase.

Levy - (Verb) To impose taxes, special assessments or service charges for the support of governmental activities; (Noun) the total amount of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

Long-Term Debt - Debt with a maturity of more than one year after the date of issue.

Maintenance and Operation - A category in the budget, which includes all expenses, except personnel and capital outlay costs. Examples include office supplies, minor equipment, motor vehicle expense, and professional and contractual services.

Municipal Code - A book that contains the City Council approved ordinances currently in effect. The Code defines City policy with respect to areas such as planning, etc.

Non-Departmental - Program costs that do not relate to any one department, but represent costs of a general Citywide nature, such as debt service and appropriated reserve.

Non-discretionary – Relating to resources (revenue) and expenditures legally restricted for specific purposes.

Objective - The expected result or achievement of a budget activity.

One Time Only - Revenue or expenditure amounts that are anticipated to occur during one fiscal year only.

Ongoing – Revenue or expenditure amounts that occur every fiscal year.

Operating Budget - Appropriation of funds for ongoing program costs, including personnel services, supplies, equipment, and debt service.

Ordinance - A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form or law, such as a State statute or constitutional provision.

Position Control Listing - Establishes approved positions within the City service.

Position Classification and Compensation Plan - By resolution, as defined in the City's Personnel Rules and Regulations, and Chapter 33 (Personnel System) of the City's Municipal Code, establishes the following: approved classes within the City's

Classification Plan; approved classifications of classes within the City's Classification Plan; and approved compensation for each class within the City's Classification Plan.

Program - An activity or group of activities performed for the purpose of providing a service or support function. A program can also be an organizational subdivision of a department. See division.

Reimbursement - Payment of amount remitted on behalf of another party, department, or fund.

Reserve - An account used to earmark a portion of the fund balance as legally segregated for a specific use.

Resolution - A special order of the City Council which requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval.

Resources - Total amounts available for appropriation during the fiscal year, including revenues, fund transfers and beginning fund balances.

Revenues - Amounts received from taxes, fees, permits, licenses, interest, and intergovernmental sources during the fiscal year.

Revenue Bonds - Bonds issued to construct capital facilities, repaid from revenue produced by the operation of those facilities.

Salaries - A category in the budget, which accounts for full-time and temporary employees and overtime expenses.

Section - An organization subdivision of a division or program.

Special Revenue Funds - This fund type collects revenues that are restricted by the City, State, or Federal Government as to how the City might spend them.

Special Study Project - Large, onetime study performed by outside source that generally goes beyond the scope of work of a department and may have citywide consequences.

Tax and Revenue Anticipation Notes (TRANS) - Notes (sometimes called warrants) issued in anticipation of collection of taxes. Moneys from this source are used to provide adequate "cash flow" for ongoing expenses until taxes are collected.

Un-appropriated Fund Balance - The part of undesignated fund balance consisting of the excess of current year revenues over appropriations.