

GLOSSARY

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| Activity | A specified and distinguishable line of work performed by a division. |
| ADA | Americans with Disabilities Act |
| Ad Valorem | A tax computed from the assessed valuation of land and improvements. |
| Appropriation | An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one year period. |
| Appropriation Ordinance | The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources. |
| Assessed Valuation | A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Collin Central Appraisal District.) |
| Assets | Resources owned or held by the City which have monetary value. |
| Balanced Budget | A budget adopted by the legislative body and authorized by ordinance where the proposed expenditures are equal to or less than the proposed resources. |
| Bonds | A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. |
| Budget | A plan of financial operation embodying an estimate of proposed means of financing it. The "operating budget" is the financial plan adopted for a single fiscal year. The "proposed budget" designates the financial plan initially developed by departments and presented by the City Manager to the Council for approval. The "adopted budget" is the plan as modified and finally approved by that body. The approved budget is authorized by ordinance and thus specifies the legal spending limits for the fiscal year. |

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| Budget Adjustment | A legal procedure utilized by the City Staff and City Council to revise a budget appropriation. |
| Budget Document | The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan. |
| Budgetary Control | The control or management of the organization in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues. |
| Capital Outlay | An expenditure which results in the acquisition of or addition to fixed assets, and meets these criteria: has an anticipated useful life of more than one year; can be permanently identified as an individual unit of property; belongs to one of the following categories: Land, Buildings, Structures & Improvements, Equipment; constitutes a tangible, permanent addition to the value of City assets; cost generally exceeds at least \$500; does not constitute repair or maintenance; and, is not readily susceptible to loss. |
| Capital Reserve | Funds that have been appropriated from operating revenues which are to be set aside for designated types of maintenance to the existing infrastructure. |
| CATV | Cable Access Television |
| CIP | Community Investment Program |
| Current Taxes | Taxes that are levied and due within one year. |
| DARE | Drug Abuse Resistance Education |
| DART | Dallas Area Rapid Transit |
| Delinquent Taxes | Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached. |
| Contingency Fund | A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. |
| Cost Center | A section of the total organization having a specialized function or activity, and segregated cost and revenue data. |

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| Covenant | A binding agreement; contract. |
| Debt Service Fund | A fund used to account for the monies set aside for the payment of interest and principal to holders of the City's general obligation and revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems. |
| Depreciation | (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset which is charged as an expense during a particular period. |
| EMS | Emergency Medical Service |
| Encumbrances | Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. When paid, the encumbrance is liquidated. |
| Enterprise Fund | A fund established to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. |
| EPA | Environmental Protection Agency |
| ERF | Equipment Replacement Fund |
| Expenditures | The cost of goods received or services rendered whether cash payments have been made or encumbered. |
| Fiscal Year | A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Plano has specified October 1 to September 30 as its fiscal year. |
| FLSA | Fair Labor Standards Act |
| Fund | An accounting device established to control receipt and disbursement of income from sources set aside to support specific activities or attain certain objectives. Each fund is treated as a distinct fiscal entity with a self-balancing set of accounts. |
| Fund Balance | The excess of a fund's current assets over its current liabilities; sometimes called <i>working capital</i> in enterprise funds. A negative fund balance is often referred to as a <i>deficit</i> . |

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| Funding | Provides budgetary resources to cover the total cost of a program or project at the time it is undertaken. |
| GAAP | Generally Accepted Accounting Principles. |
| GASB | Governmental Accounting Standards Board |
| General Fund | The fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is tax supported. |
| General Obligation Debt | Monies owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenue provided from real property which is assessed through the taxation power of the local governmental unit. |
| Generally Accepted Accounting Principles (GAAP) | Detailed accounting standards and practices for state and local governments as prescribed by the Governmental Accounting Standards Board (GASB). |
| GIS | Geographic Information System. |
| GO Debt | General Obligation Debt. |
| Infrastructure | That portion of a city's assets located at or below ground level, including the water system, sewer system, and streets. |
| Internal Service Fund | A fund used to account for the financing of goods or services provided by one City department or cost center to other departments, on a cost-reimbursement basis. |
| Liabilities | Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances. |
| Modified Accrual Basis fund | The accrual basis of accounting adapted to the governmental type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather |

than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

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| NCTCOG | North Central Texas Council of Governments |
| NTMWD | North Texas Municipal Water District |
| Note | A certificate pledging payment, issued by a government or bank. |
| Operating Budget | Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. The use of annual operating budgets is required by State law. |
| Performance Indicators | Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program. |
| PISD | Plano Independent School District |
| Property/Liability Loss Fund of | Monies contributed by several operating funds and set aside to finance significant unforeseen losses which are uninsured. A form of self-insurance. |
| Reimbursement | Repayment to a specific fund for expenditures incurred or services performed by that fund to or for the benefit of another fund. |
| Replacement Cost | The cost of an asset which can render similar service (but which need not be of the same structural form) as the property to be replaced. |
| Reserve | An account used to indicate that a portion of fund resources is restricted for a specific purpose, or is not available for appropriation and subsequent spending. |
| Reserve Fund | A backup fund for payment of matured bonds and interest should the Water & Sewer Debt Service Fund fall short of required amounts. |
| Revenues | All amounts of money received by a government from external sources other than expense refunds, capital contributions, and residual equity transfers. |

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| Rolling Stock | Those capital items such as motor vehicles, heavy equipment, and other apparatus which is maintained by the Equipment Services department. |
| ROW | Right-of-way |
| Service Area | Major division within the total organization performing a function which is composed of departments and is under the oversight of a Deputy City Manager who reports to the City Manager. Service areas include Public Safety, Development, and Community Services. |
| SH | State highway |
| SSI | Service Standard Index |
| STEP | State Traffic Enforcement Program |
| Tax Rate | A percentage applied to all taxable property to raise general revenues. It is derived by dividing the total tax levy by the taxable net property valuation. |
| Taxes | Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. |
| TMRS | Texas Municipal Retirement System |
| TNRCC | Texas Natural Resources Conservation Commission |
| VIP | Volunteers in Plano |
| W & S | Water & Sewer |