

GLOSSARY

ADA

Americans with Disabilities Act

ADC

Adult Day Care

Accrual Basis

A basis of accounting that recognizes transactions at the time they are incurred, rather than when cash is received or spent. In Albemarle, the basis of budgeting and accounting for all governmental funds is the modified accrual basis of accounting and budgeting, under which revenues and related assets are recorded when measurable and available, and expenditures, other than compensated absences and interest on long-term debt, are recorded as the related fund liabilities are incurred.

Ad Valorem Taxes

Commonly referred to as property taxes, these taxes are levied on both real and personal property according to the property's assessed valuation and the tax rate.

Adopted Budget

A plan of financial operations for the following year, approved by the County Board of Supervisors, highlighting major changes made to the County Executive's Recommended Budget. The adopted budget reflects approved tax rates and estimates of revenues, expenditures, and transfers.

Appropriated Budget

In this document, the appropriated budget refers to the budget that was officially appropriated on July 1 of the fiscal year.

Appropriation

A legal authorization to make expenditures and to incur obligations for specific purposes granted by the County Board of Supervisors to a specified unit of County Government. An appropriation is limited in dollar amount and when it may be spent, usually expiring at the end of the fiscal year.

Assess

To place a value on property for tax purposes.

Assessed Valuation

The valuation set upon real estate taxes and certain personal property by the Assessor as a basis for levying property taxes, or the value of all taxable property within the boundaries of Albemarle County. In Albemarle, property is assessed at 100% of market value.

Assets

Resources owned or held by Albemarle County, which have a monetary value.

Authorized Positions

Employee positions which are authorized in the adopted budget, to be filled during the year.

GLOSSARY

Available (Undesignated) Fund Balance

The funds remaining from the prior fiscal year that are available to appropriate and spend in the current year.

BPOL (Business, Professional, and Occupational License)

Business, Professional, and Occupational License is a license tax that is levied upon the privilege of doing business or engaging in a profession, trade, or occupation in the County, and includes all phases of the business, profession, trade, or occupation, whether conducted in the County or not.

Balanced Budget

A balanced budget is one in which the available revenues and appropriated fund balances equal estimated expenditures for a fiscal year.

Base Budget

The cost of continuing existing levels of service in the current budget year.

Baseline Operating Budget

The baseline operating budget of a department is the sum of all non-salary driven compensation (such as part-time, overtime, shift differential, etc.), operational expenditures, and replacement capital outlay.

Bond

A long-term IOU, or promise to pay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are used to finance capital projects. Virginia Public School Authority (VPSA) bonds, which finance school capital projects, are General Obligation Bonds, backed by the full faith, credit, and taxing power of the government.

Budget

A specific plan of operations for the fiscal year that states the expenditures required to meet that plan of operations, and identifies the revenue necessary to finance the plan. The annual County budget is established (adopted) by the Board of County Supervisors.

Budgetary Basis

The basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

CIP (Capital Improvements Program)

See Capital Improvements Program.

CPI (Consumer Price Index)

See Consumer Price Index.

GLOSSARY

Capital Budget

The appropriation of bonds or operating revenues for improvements to facilities and other infrastructure. The capital budget is the first year of the approved five-year Capital Improvements Program.

Capital Improvements

Expenditures related to the acquisition, expansion, or rehabilitation of the government's physical plant or infrastructure.

Capital Improvements Program (CIP)

A five-year plan for public facilities resulting in the construction or acquisition of fixed assets, primarily schools, but also parks, land, landfills, etc.

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities. These funds consist of the School Division Capital Improvements Fund, the General Government Capital Improvements Fund, and the Stormwater Control Fund.

Capital Outlay

Expenditures for items of a substantial value (more than \$100), such as microcomputers and vehicles.

Carry-over Funds

Unexpended funds from the previous fiscal year that may be used to make payment in the current fiscal year.

Constant or Real Dollars

The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Constitutional Officers

Elected officials whose positions are established by the Constitution of the Commonwealth of Virginia or its statutes. Albemarle County's Constitutional officers include the Clerk of the Circuit Court, the Commonwealth's Attorney, and the Sheriff. Although these officers and their staff are on the County payroll, the State Compensation Board reimburses the County for a portion of the salaries, benefits, and office expenses as approved by the Compensation Board.

Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S. Department of Labor that is used as a measure of inflation or changes in prices of various goods. The most commonly used index is the Consumer Price Index for Urban Consumers (CPIU), which is an index of prices of various consumer goods. The County uses the average annual (national) CPIU to measure inflationary increases from one year to the next.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

GLOSSARY

Contingent Funding

Funds/revenues that are undetermined at a given date and dependent upon decisions and/or certain conditions being met outside of agency or department control.

Contingent Liabilities

Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

County Executive's Recommended Budget

A plan of financial operations submitted by the County Executive to the Board of County Supervisors. This plan reflects estimated revenues, expenditures, transfers, and departmental goals and objectives. In addition, sections are included to show major budgetary/financial policies and guidelines used in the County's fiscal management.

Debt

An obligation resulting from borrowing of money or purchasing goods and services.

Debt Service

The cost of paying principal and interest on borrowed money, according to a predetermined payment schedule.

Debt Service Fund

A fund established to account for the payment of general long-term debt, which includes principal and interest. The County has two debt service funds: the School Division Debt Service Fund and the General Government Debt Service Fund.

Department

An organizational unit of government that is functionally unique in its delivery of services (e.g., Police Department, Department of Social Services, etc.) A department may consist of one or more cost centers that are subdivisions that group related expenditures for accounting and budgetary purposes.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents. To receive the award, governments must have prepared a budget that meets program criteria as a document, an operations guide, a financial plan, and a communications device.

ECC

Emergency Communication Center

Efficiency Indicator

The amount of work performed in relation to the amount of resources used. Efficiency measures can answer "are we doing things right?" and assess strategies. Process changes may translate into cost savings, avoided costs or saved staff time, all of which can be expressed through an efficiency measure.

GLOSSARY

EMS

Emergency Medical Service

Employee (Fringe) Benefits

Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and Medicare (FICA), employee pensions (administered by the Virginia Retirement System), workers compensation, and health, dental, and life insurance.

Encumbrance

A reservation of funds for an anticipated expenditure prior to actual payment of an item. Funds usually are reserved or encumbered once a contract obligation has been signed, but prior to the cash payment actually being dispersed.

Expenditure

The payment of cash on the transfer of property or services for the purpose of acquiring an asset or service, or for settling a loss.

FTE (Full-Time Equivalent)

See Full-Time Equivalent.

Fiduciary Funds (Trust and Agency Funds)

These funds account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Non-expendable Trust and Agency Funds, such as the McIntire Trust Fund, etc.

Financial Management Policies

Financial policies adopted by the Board of County Supervisors in October 1994 and amended in October 2000, for the purpose of providing financial guidelines and goals that create a framework within which sound financial decisions may be made. These policies address the operating and capital budgets; asset maintenance, replacement, and enhancement; revenue; investment; accounting, auditing, and financial report; debt; and the use of fund balance or reserve.

Fiscal Year

A 12-month period designated as the operating year for accounting and budgetary purposes. The County's fiscal year runs from July 1st to June 30th.

Full-Time Equivalent (FTE)

A part-time position converted to the decimal equivalent of a full-time position based upon 2,080 hours worked per year (40 hours per week). For example, a part-time employee working 20 hours per week (1,040 hours per year) is the equivalent of 0.5 of a full-time employee, or 0.5 FTE. A full-time employee working 2,080 hours per year is 1.0 FTE.

Function

A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., administration, public safety, community development, etc.).

GLOSSARY

Fund

A fiscal or accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The individual government funds are the General Fund, Special Revenue Funds, School Fund, Other School Funds (Self-Sustaining), Debt Service Fund, and the Capital Projects Funds.

Fund Balance

Fund Balance refers to the amount of money or other resources in a fund at a specific point in time. It is the excess of the assets of a fund over its liabilities, revenues, and carryovers. It usually refers to the year-end balance.

GAAP (Generally Accepted Accounting Principles)

The uniform minimum standards for financial accounting and recording encompassing the conventions, rules, and procedures that define Generally Accepted Accounting Principles. Budgets for all funds are adopted on a basis consistent with these principals.

GFOA

Government Finance Officers Association

Geographic Information System (G.I.S.)

A computer system that stores and links non-graphic attributes or geographically referenced data with graphic map features to provide a wide range of information processing and display operations, as well as map production, analysis, and modeling.

General Fund

This fund is used to account for all revenues and expenditures applicable to the operations of the County, except those transactions accounted for in other funds. This accounts for most traditional local government programs such as police, fire/rescue, libraries, parks, human services, etc. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

Goal

A broad articulation of a better condition than the one that exists now; an end toward which effort is directed; a desired future state. Goals usually address long-term issues.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental funds utilize the modified accrual basis of accounting where the measurement focus is on financial position and changes in financial position, rather than on net income determination.

Grant

A contribution by one governmental unit to another. The contribution is usually made in support of a specified function, such as health care, housing, crime prevention, etc.

GLOSSARY

Input

Value or resources used to produce an output, the resources used to obtain results.

Inter-fund Transfers

The movement of monies between funds of the same governmental entity.

Inter-governmental Revenue

Revenue from other governments, such as the state or federal government, in the form of grants, entitlements, shared revenue, or payments, in lieu of taxes.

Key Performance Indicators

Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Liabilities

Obligations incurred in past or current transactions requiring present or future settlement.

Licenses/Permits

Licenses and permits are legal permission to engage in certain actions (a type of user's fee). Examples are building permits, vehicle decals, and Business, Professional and Occupational Licenses.

Line Item

An expenditure classification established to account and budget for approved appropriations.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Basis of Accounting

All government funds use the modified accrual basis of accounting under which revenues and related assets are recognized when measurable and available as current assets. Expenditures generally are recognized when the related goods and services are received and the liability is incurred.

Object Classification

A grouping of expenditures on the basis of goods or services purchased; for example, personal services, materials, supplies, equipment, etc.

Objective

Objectives represent incremental progress toward a goal. Objective statements should include either the word increase, decrease, or maintain. Objectives are measurable and time-specific, and can easily be annual.

Operating Expenditures

The cost for personnel, materials, and equipment required by a department in order to function.

GLOSSARY

Operating Revenue

Funds that the government receives as income to pay for ongoing operations, including such items as taxes, fees from services, intergovernmental revenues, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A bill, resolution, or other means by which appropriations are given legal effect. It is the method by which the appropriation of the annual budget is enacted into law by the Board of County Supervisors, per authority of state statutes.

Outcome

The ultimate impact or effect that is caused by an activity/effort. This is the determination of a program's success and closely tied to an organizational or departmental goal statement or objective. The objective describes what is desired; the ultimate outcome measures what is actually achieved. External forces can sometimes limit managerial control; however, managers are still responsible for outcomes associated with their programs.

Output

Quantity or number of units produced. Outputs are activity-oriented, measurable and usually under managerial control.

“Pay-As-You-Go” Basis

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowed funds.

Performance Management

The regular collection and analysis of specific information regarding the results of County services.

Permits/Licenses

Licenses and permits are legal permission to engage in certain actions (a type of user's fee). Examples are building permits, vehicle stickers, and Business, Professional and Occupational Licenses.

Personal Property

A category of property other than real estate, identified for purposes of taxation, which include personally owned items, corporate property, and business equipment. Examples include automobiles, motorcycles, trailers, boats, airplanes, business furnishings, and manufacturing equipment. Goods held for sale by manufacturers, wholesalers, or retailers, are not included.

Planning District 10

A regional grouping of cities and counties, which include the City of Charlottesville and the Counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson.

Property Tax Rate

The amount of tax stated in terms of a unit of the tax base expressed as dollars per \$100 of equalized assessed valuation.

GLOSSARY

Real Property

Real estate, including land and improvements (building, fencing, and paving) classified for purposes of assessment.

Reserve

An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year, or to earmark revenues for a specific future purpose.

Resolution of Appropriation

A legally binding document that delineates, by fund and department, all expenditures and revenues adopted by the Board of County Supervisors that are reflected in the adopted budget.

Resources

The total amount available for appropriation, including revenues, fund transfers, and beginning balances.

Revenue

Income generated by taxes, notes, bonds, investments, income, land rental, fees, user charges, and federal and state grants.

Revised Budget

The revised budget represents the total budgeted expenditures and revenues for the fiscal year, including all reappropriations.

RSWA

Rivanna Solid Waste Authority

School Fund

A governmental fund that reflects revenues and expenditures related to the operations of the County's school system. The primary sources of revenue, exclusive of transfers from the General Fund, are basic aid payments from the Commonwealth and educational program grants. Major expenditures include instructional costs, transportation, etc. Service for long-term debt is included in the General Fund, not the School Fund.

Self-Sustaining Funds

Self-sustaining funds are separate funds apart from the School Fund that are used for very limited expenditures due to legal or regulatory provisions, and whose operations are self-sustaining or self-supporting. These funds do not require any transfers from the General Fund, but are funded by federal and state categorical funds, fees, and grants. Examples of these funds are the Cafeteria Fund and the Community Education Fund.

Service Quality

The degree to which customers are satisfied with a program or how accurately or timely a service is provided. Service Quality measures can answer, "are we doing things right?" Managers and employees can significantly influence the results of Service Quality measures. In some cases, service quality measures may be identical to a program or goal's intermediate outcomes.

GLOSSARY

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special revenue funds include federal and state grant funds, the Vehicle Replacement Fund, and the Tourism Fund.

Supplemental Appropriations

Where requests with sufficient justification exist, special appropriations by the Board of County Supervisors may occur. Such appropriations reflect unanticipated emergency requirements subject to serious time constraints that a normal resource allocation mechanism cannot accommodate.

Tax Base

A part of the economy to which a tax is applied.

Taxes

Mandatory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Tax Rate

The level of taxation stated in terms of either a dollar amount (i.e., \$0.742 per \$100 of assessed valuation) or a percentage of the value of the tax base (i.e., 5.0% sales tax).

Tipping Fees

The cost for use of the landfill; generally this is levied on tonnage of solid waste.

Transfers

Budget transfers provide the opportunity to shift already budgeted funds to another area. Transfers may occur throughout the course of the fiscal year as needed for an agency's operation. The Director of Finance is authorized to transfer amounts between line items and between divisions within a department. Transfers between expenditure accounts in different departments are approved by the Board of County Supervisors.

Trust and Agency Funds (Fiduciary Funds)

These funds account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organization, other governmental units, or other funds. These funds include Non-expendable Trust and Agency Funds such as the McIntire Trust Fund, etc.

Users Fees/Licenses

User's fees are charges for services such as public property and parking. The fee assures that only people using a service pay for that service. Licenses and permits are also forms of user fees.

UVA

The University of Virginia

VDoT

Virginia Department of Transportation

GLOSSARY

VHDA

Virginia Housing Development Authority

VRS

Virginia Retirement System

Watershed

A region or area bounded peripherally by a water parting and ultimately draining to a particular watercourse or body of water.

