

GLOSSARY

Accrual Basis A basis of accounting in which transactions are recognized at the time they are incurred as opposed to when cash is received or spent

ADA Americans with Disabilities Act

ADTF Anti Drug Task Force

Adjusted Net Assets Net assets less contributed capital

Ad Valorem Taxes Taxes commonly referred to as property taxes levied on both real and personal property according to the property's valuation and the tax rate

Advanced Refunded Bonds A municipality may sell a second bond issue at a lower interest rate cost placing the proceeds of the issue in an escrow account from which the first issue's principal and interest will be repaid when due

Allotment Personnel The number and classifications of employee positions authorized for a given department division or agency

Allotment Quarterly A part of an appropriation that may be encumbered or expended during a given period *The Plan of Government* mandates that the annual City Parish budget be divided into four quarterly allotments

Appropriation A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes

ARFF Aircraft Rescue and Fire Fighting

Assessed Valuation A valuation set upon real estate or other property by a government as a basis for levying taxes

Budget A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them

Budget Message A general discussion of the proposed budget as presented in writing by the budget making authority to the legislative body The budget message should contain an explanation of the principal budget items an outline of the government's experience during the past period and its financial status at the time of the message and recommendations regarding the financial policy for the coming period

CAL Community Alert warning system

Callable Bonds A bond issue in which the issuer under specified conditions may redeem all or part of the bond before maturity

Capital Lease An agreement that conveys the right to use property plant or equipment usually for a stated period of time that meets certain criteria

Capital Outlay Fixed assets that have a value of \$1 000 or more and have a useful economic lifetime of more than two years

Capital Projects Fund Type Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) Funds of this type are generally not included in the Annual Operating Budget because of various timing and legal requirements of the bond issues that usually support capital projects These budgets are submitted to the Metropolitan Council separately and are adopted on a project length basis

Consumer Price Index (CPI) A statistical description of price levels provided by the U S Department of Labor The index is used as a measure of the increase in the cost of living (i e economic inflation)

Contractual Services Expenditures for services other than personal services that are required by the government in the administration of its assigned functions

Contributed Capital An equity account in a proprietary fund which shows the amount of assets contributed by a government or customer

CPERS City Parish Employees Retirement System

CUR Current

Debt Service Outlays in the form of debt principal payments periodic interest payments and related service charges for benefits received in part in prior fiscal periods as well as in current and future fiscal periods

Depreciation Expiration in the service life of capital assets attributable to wear and tear deterioration action of the physical elements inadequacy or obsolescence

DEQ State Department of Environmental Quality

DROP Deferred Retirement Option Plan

EBRP East Baton Rouge Parish

Employee Benefits Amounts paid by the government on behalf of employees Prior to 1992 these amounts were included under Contractual Services

Encumbrance A commitment of funds against an appropriation it may be in the form of a purchase order or a contract until such time as the goods or service are received the commitment is referred to as an encumbrance

Enterprise Fund Type Account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned expenses incurred and/or net income is appropriate for capital maintenance public policy management control accountability or other purposes

EPA Federal Environmental Protection Agency

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Escrow Agent A bank designated to manage a fund that contains monies that may be used only to pay debt service on advanced refunded bonds

Expenditure A decrease in net financial resources Expenditures include current operating expenses requiring the present or future use of net current assets debt service capital outlays and intergovernmental grants entitlements and shared revenues

Fiduciary Fund Type Governments often hold or manage resources in an agent or fiduciary capacity See the Budgetary Structure section of Understanding the City Parish Budget for a more detailed description of the Pension Trust Fund

FIN Final

Financial Accounting Standards Board (FASB) A seven member board organized in 1973 to establish standards of financial accounting and reporting for the private sector

FINS Families in Need of Services

Fiscal Management Fees (Indirect Costs) Costs incurred by special funds and grants for services (financial personnel legal etc) provided by General Fund departments

Fiscal Year A twelve month period of time to which the annual operating budget applies At the end of this period the government determines its financial position and the results of its operations The fiscal year for the budget contained herein is January 1 through December 31

Fixed Asset Long lived tangible asset obtained or controlled as a result of past transactions events or circumstances Fixed assets include buildings equipment improvements other than buildings and land

Full Time Equivalent (FTE) Positions A part time position converted to the decimal equivalent of a full time position based on 2 080 hours per year For example an employee who works 20 hours per week would be the equivalent of 0.5 of a full time employee or .5 FTE

Function A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible The major functions contained in the budget are as follows

Culture Recreation All cultural and recreational activities maintained for the benefit of residents and visitors

Conservation and Development Activities designed to conserve and develop such natural resources as water soil forests and minerals activities related to the planning and provision of adequate housing and the redevelopment of substandard and blighted physical facilities and activities involving economic development

General Government All expenditures for the legislative and judicial branch of a government Also includes expenditures made by the Mayor President and other top level auxiliary and staff agencies in the administrative branch of the government

Health and Welfare All activities involved in the conservation and improvement of public assistance and institutional care for individuals economically unable to provide essential needs for themselves

Transportation All activities involved in maintaining roadways walkways bridges and canals

Public Safety A major function of the government that has as its objective the protection of persons and property The major subfunctions are police protection fire protection protective inspection and corrections

Sanitation All activities involved in the removal and disposal of sewage and other types of waste

Fund A fiscal and accounting entity with a self balancing set of accounts in which cash and other financial resources together with all related liabilities and residual equities or balances and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations restrictions or limitations

Fund Balance The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where prior to the end of a fiscal period it represents the excess of the fund's assets and estimated revenues for the period over its liabilities reserves and available appropriations for the period

GAAP Generally Accepted Accounting Principles Uniform minimum standards for financial accounting and reporting encompassing the conventions rules and procedures that define accepted accounting principles

General Fund Type The general operating fund of the city and parish It is composed of a City Sub Fund and a Parish Sub Fund and accounts for all financial resources except those required to be accounted for in other funds

Goals Broad aims toward which programs are directed

Governmental Accounting Standards Board (GASB) A seven member board organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities

Governmental Fund Types Four fund types are used to account for most tax supported activities These are the general fund the special revenue fund the debt service fund and the capital projects fund

Grant Contribution or gift of cash or other assets from another government to be used or expended for a specified purpose activity or facility

Homestead Exemption Value of residential property exempted from property tax assessment for owner occupied property The present exemption in Louisiana is \$7 500 of assessed valuation

Indirect Costs See Fiscal Management Fees

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Interfund Transfers The movement of monies between funds of the same governmental entity

Intergovernmental Revenue Funds received from federal state and other local government sources in the form of grants shared revenues and payments in lieu of taxes

Internal Service Fund Type Account for the financing of goods or services provided by one department or agency to other departments or agencies of the City Parish on a cost reimbursement basis

IS The Information Services Department of the City Parish government This department maintains the mainframe computers and provides programming and computer support services for the local government

ISO Insurance Services Office an organization funded by the insurance industry to evaluate fire departments

LCDA Louisiana Local Government Environmental Facilities and Community Development Authority

LPFA Louisiana Public Finance Authority

MetroNet Intra city computer communications network

Mill/Millage A mill is the thousandth part of a dollar used in calculating property taxes The millage represents the total mills assessed for a given tax program An example would be that the Library Board of Control is primarily funded from a millage of 10.72 mills Based on the 2000 assessment roll a parish wide mill net of commissions generates approximately \$1.67 million A city wide mill net of commissions generates approximately \$1.03 million

Mission Statement Statement of what the agency does and why and for whom it does it the agency's reason for existence

Modified Accrual Basis A basis of accounting under which revenues are recognized in the period in which they become available and measurable expenditures are reported when the liability is incurred if measurable except for the following (1) principal and interest on long term debt are recorded when due and (2) claims and judgments group health claims net pension obligation and compensated absences are recorded as expenditures when paid with expendable available financial resources

MPERS Municipal Police Employees Retirement System of Louisiana

Net Assets Net assets represent the difference between assets and liabilities There are three categories of net assets net assets invested in capital assets net of related debt restricted net assets and unrestricted net assets Net assets invested in capital assets net of related debt consists of capital assets net of accumulated depreciation reduced by the outstanding balance of any debt proceeds used for the acquisition construction or improvements of those assets Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors grantors laws or regulations of other governments

Objectives Specific productivity targets within a certain time frame with results that are measurable Narrower than goals

Object Level Each department's budget is divided into the following categories or groupings of expenditures Personal Services Employee Benefits Supplies Contractual Services and Capital Outlay

Ordinance A formal legislative enactment by the Metropolitan Council that has the full force and effect of law within the boundaries of the City Parish

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 borrowing

Pay Grade Salary level or range for each personnel classification

Pension Trust Fund Type Account for transactions of the Original Employees Retirement Trust and the Police Guarantee Trust under the Employees Retirement System The Original Trust includes the accumulation of contributions for a defined benefit cost sharing multiple employer pension plan to provide retirement benefits to qualified employees The Police Guarantee Trust holds assets and pays certain retirement benefits to those members who have voluntarily transferred to the Municipal Police Employees Retirement System of Louisiana (MPERS)

Performance Measures Quantified indication of results obtained from budgeted activities

Personal Services Expenditures for gross salaries provided for all persons funded by the government

Personnel Allotment The number and classifications of employee positions authorized for a given department division or agency

Post Employment Benefits A contribution made by the government that is used to fund health and dental insurance costs for retired employees

PRO Proposed

Proprietary Fund Type Two fund types are used to account for a government's business type activities (e.g. activities that receive a significant portion of their funding through user charges) These are the enterprise fund and the internal service fund See the Budgetary Structure section of Understanding the City Parish Budget for a more detailed description of these fund types

REQ Requested

Resolution An order of the Metropolitan Council requiring less legal formality than an ordinance a special or temporary order

Revenues Increases in net current assets from sources other than expenditure refunds and residual equity transfers Types of revenues include taxes licenses and permits intergovernmental revenues charges for services fines and forfeits and

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miscellaneous revenues General long term debt proceeds and operating transfers in are classified as other financing sources rather than as revenues

SLGS State and Local Government Series securities

Special Revenue Fund Type Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes or required for sound financial administration

SSO Sanitary Sewer Overflow

STD Sexually transmitted disease

Strategic Initiative An activity necessary to or important in the initiation conduct or completion of a strategic plan

Strategic Planning A continuous and systematic process in which decisions are made about intended future outcomes how outcomes are to be accomplished and how success is measured and evaluated

STRB Sales Tax Revenue Bond

Supplemental Appropriation An additional appropriation made by the governing body after the budget year has started or appropriations included in the annual budget that are funded from prior year end fund balance and are non recurring

Supplemental Requests Programs and services that departments would like to have added (in priority order) to their budget if funding is available

Supplies All articles that are consumed or materially altered when used Principal types are fuel office supplies operating supplies repair and maintenance supplies small tools and minor equipment

Taxes Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people This term does not include specific charges made against particular persons or property for current or permanent benefit such as special assessments

Total Quality Management (TQM) A philosophy and a set of guiding principles that represent the foundation of a continuously improving organization TQM is the application of quantitative methods and human resources to improve the materials and services supplied by an organization all the processes within the organization and the degree to which the needs of the customer are met

Wet Well The point at which sewage is collected for a pump station

Wye Fees Amounts charged for connecting to City Parish sewer lines