

## Glossary

|                                   |   |
|-----------------------------------|---|
| Adopted Budget                    | The budget as formally approved by the City Council for the upcoming fiscal year.   |
| Ad Valorem Tax                    | A direct tax calculated according to value of property. Ad valorem tax is normally the one substantial tax that may be raised or lowered by a local governing body without the sanction of superior levels of government (although statutory restrictions such as tax rate limitations may exist on the exercise of this right).                                    |
| Appropriation                     | Legal authorization of funds approved by City Council for budget revenues and expenditures.   |
| Assessed Value                    | Dollar value assigned to property, as determined by an Assessor, for the purposes of assessing taxes.   |
| Balanced Budget                   | When a government's total revenues (money that it receives from taxes, fees, intergovernmental sources, etc.) equals its total expenditures (spending) in a fiscal year. The State Code of Virginia requires that all local governments adopt balanced budgets.   |
| Budget                            | Plan of financial operation for the City. Includes estimated income (revenues) and expenses (expenditures) matched with various municipal services.   |
| Capital Improvement Program (CIP) | A plan for future capital expenditures which identifies each capital project, its anticipated start and completion, and the cost per year.  |
| Capital Expenditure               | Larger expenditures which generally have a useful life of 5 years or more and cost more than \$50,000.  |
| Commitment Item                   | A budgetary account representing a specific object of expenditure. The 400000 account codes represent the revenue commitment items and the 500000 account codes represent the expenditure commitment items. Examples include commitment item 510010 – Full-time Salaries, commitment item 520010 – Office Supplies, and commitment item 520901 – Computer Software. |
| Debt Service                      | Payment of principal and interest related to the City's long-term borrowing, according to a predetermined payment schedule.   |
| Designated Expenditures           | Expenditures that support specific General Fund operations of the City rather than supporting the general operations of the City. Examples include Pupil Transportation, School Building Maintenance, and Capital Projects.   |
| Designated Revenue                | Revenues that support specific General Fund operations of the City rather than supporting the general operations of the City. Examples include Pupil Transportation, School Building Maintenance, and Capital Projects.   |

|                                |   |
|--------------------------------|---|
| Enterprise Fund                | A separate fund used to account for operations that are financed and operated in a manner similar to private business enterprises where it is the intent that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. For the City of Charlottesville, the water, sewer, gas and golf course funds comprise the enterprise funds. |
| Expenditures                   | The cost of goods delivered or services rendered by the City.   |
| Fiscal Year (FY)               | A twelve-month period during which the annual operating budget applies. In the City of Charlottesville, the fiscal year is July 1 through June 30.  |
| Full Time Equivalent (FTE)     | A means to determine the number of employees in the organization as measured by number of hours worked – 1 FTE = 40 hours per week, 0.5 FTE = 20 hours per week, etc.   |
| Fund                           | An accounting term to describe the City's major financial accounts: general fund, utilities, and capital improvements fund.   |
| Fund Balance                   | The accumulated revenues and other financing sources over expenditures and other uses.  |
| Fund Balance Target Adjustment | An account created to help ensure that the City continues to meet the following financial policy: the City will maintain an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget.  |
| General Fund                   | A fund used to account for all revenue and expenditures applicable to general operations of City departments and other agencies, not properly accounted for in another fund.  |
| Intergovernmental Revenue      | Revenue collected by one government and distributed in the form of grants, shared revenues, or payments in lieu of taxes.   |
| Internal Service Fund          | Funds which account for those activities supplied by one department to another on a cost-reimbursement basis. Fleet Maintenance, Risk Management and Information Technology are internal service funds.   |
| Major Fund                     | A Fund in which the total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least 10 percent of the total for all funds of that category (governmental funds) or type (enterprise funds).   |
| Modified Accrual               | Governmental accounting method where revenue is recognized when it becomes available and measurable and expenditures are typically recognized in the period in which the liability is incurred, with some exceptions. Most governmental funds follow the modified accrual method.   |
| Non-major Fund                 | A Fund in which the total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are less than 10 percent of  |

the total for all funds of that category (governmental funds) or type (enterprise funds).

|                                |  |
|--------------------------------|--|
| Operating Budget               | A financial plan that represents proposed expenditures for a given period and estimates of revenue to finance them. Excludes expenditures for capital assets, such as capital improvements, equipment replacement, and facility repair.  |
| Other Expenses                 | A category of recurring expenses other than salaries and capital equipment costs that are required for a department to function. Examples include office supplies, data processing charges, education and training, and contractual services.  |
| Salaries and Benefits Expenses | A category of expenditures consisting primarily of the salaries, wages, and fringe benefits of employees.  |
| Strategic Plan                 | An organizations' process for defining its direction and making decisions on allocating its resources to pursue a strategy.  |
| Proposed Budget                | The budget formally submitted by the City Manager to the City Council for its consideration.   |
| Revenue                        | The yield from various sources of income, such as taxes and permits, that the City collects and receives into the treasury for public use.   |
| Revenue Sharing                | The process by which one unit of government levies revenue and shares it with another unit of government. In this case, Albemarle County shares some of its revenue with the City of Charlottesville.  |
| Transfers to Other Funds       | An allocation of appropriations used to reimburse a fund for expenses it incurred on behalf of the transferring fund or to record the transfer of revenue from one fund to assist in funding the operation of another. In the recipient fund, a matching amount is reflected in estimated revenues under the title of "Transfer From Other Funds". |
| User-Fee                       | Payment of a fee for direct receipt of a public service by the party benefiting from the service.  |

## Acronyms

|       |   |
|-------|---|
| ADA   | Americans with Disabilities Act – is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability.   |
| CACVB | Charlottesville Albemarle Convention and Visitors Bureau – a regional destination marketing organization funded by the City and the County.   |
| CAT   | Charlottesville Area Transit – provides fixed-route bus service Monday through Saturday from 6:00 a.m. to midnight throughout Charlottesville, and Sundays from 7:45 a.m. to 5:30 p.m.  |
| CATEC | Charlottesville Albemarle Technical Education Center – is a jointly owned and operated facility of Charlottesville City and Albemarle County that provides technical education to high school students and adults.  |
| CHS   | Charlottesville High School – is the high school operated by the City of Charlottesville School System.   |
| CIP   | Capital Improvement Program - A plan for future capital expenditures which identifies each capital project, its anticipated start and completion, and the cost per year.  |
| GAAP  | Generally Accepted Accounting Principles – is the standard framework of guidelines for financial accounting. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.                        |
| GFOA  | Government Finance Officers Association – is a professional organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership. |
| GIS   | Geographic Information System - a computer information system that integrates, stores, edits, analyzes, shares and displays geographic information for informing decision making.   |
| HVAC  | Heat Ventilation and Air Conditioning – for the City of Charlottesville the HVAC operation, a division of Public Works, provides, maintains, and repairs all heating, ventilation and air conditioning systems and equipment for City operated/owned facilities.                                    |
| IT    | Information Technology – refers to computer and telecommunications systems.   |
| JADE  | Jefferson Area Drug Enforcement – is a regional narcotics task force made up of officers from the Charlottesville Police Department, Albemarle County Police Department, University of Virginia Police Department, Virginia State Police and agents of the Federal Drug Enforcement Administration. |

- PEG Public, Educational, or Governmental Use fees – are fees paid to the locality by the cable company to provide funding for television production equipment and services for the local public access, educational access, and the government television stations to produce their own shows and televise them to a mass audience.
- PPTRA Personal Property Tax Relief Act – The Personal Property Tax Relief Act of 1998 provides tax relief for passenger cars, motorcycles, and pickup or panel trucks having a registered gross weight of less than 7,501 pounds, owned by an individual and used less than 50% for business purposes. PPTRA revenue is received by the City from the State.
- UVA University of Virginia – is a public university, located mainly within the City limits, that was founded by Thomas Jefferson in 1819.
- VDOT Virginia Department of Transportation – State agency responsible for building, maintaining, and operating the State’s roads, bridges, and tunnels.

