

Appendix C: Glossary of Terms and Acronyms

- 1) ADM — Average daily membership of school children.
- 2) Ad Valorem Taxes — Taxes levied on real and personal property, including vehicles.
- 3) Appropriation — The amount of money legally authorized by the Board of Commissioners for projected expenses, as stated in the budget ordinance. Chatham County makes appropriations on a budget area level.
- 4) Assessed Value — The value of real and personal property, as determined by tax assessors, which is used as the basis for levying taxes.
- 5) Authorized Bond — Bonds which have been legally authorized, but may or may not have been sold. Authorized bonds may be sold at any time.
- 6) Bond — A written promise to pay a specific amount of money, plus interest, within a specific time period, usually long term (20 years).
- 7) Budget Message — The County Manager's written overview of the proposed budget addressed to the Board of Commissioners and the public. The budget message addresses major budget items, their justification, and the County's present and expected financial conditions.
- 8) Budget Ordinance — A local law enacted for the purpose of establishing an annual budget and tax rate. Chatham County's budget ordinance also addresses budget amendment, sets new fees, and sets forth travel reimbursements.
- 9) CCCC — Central Carolina Community College.
- 10) CIP — Capital Improvements Program.
- 11) Capital Improvements Program (CIP) — A five-year plan of proposed capital improvement projects (projects with a value of at least \$25,000 and a useful life of at least three years). The CIP includes estimated project costs and proposed funding mechanisms over a specified period of years.
- 12) Capital Outlay — An item which costs \$2,500 or more and has a useful life of more than one year. Examples of capital outlay items include computer hardware and software, vehicles, buildings, etc.
- 13) Contingency — Funds set aside for unforeseen conditions that may arise during the budget year. Transfers from the contingency line item must be approved by the County Manager (up to \$20,000) or Board of Commissioners (greater than \$20,000).
- 14) Continuation — Chatham County budgets on a continuation/expansion basis. Continuation refers to the costs of running current programs at current levels.
- 15) Debt Service — Principal and interest payments required to retire the County's debt, including general obligation bonds and installment contracts.
- 16) EMS — Emergency medical services.
- 17) Enterprise Fund — A fund that accounts for operations financed primarily from user charges. The operation of enterprise funds resembles a business, and in Chatham County, includes the Water Utility Fund and Waste Management Fund. The long-term goal of enterprise funds is to make them self-supporting, so that they do not rely on property taxes or other general revenues for funding.
- 18) Expansion — Refers to the costs of providing new programs or enhance service levels. All capital outlay items are also considered "expansion."
- 19) Expenditures — Cost of a program or capital project.
- 20) FICA — Social Security tax.
- 21) FTE — Full-time equivalency.
- 22) FY — Fiscal year.
- 23) Fiscal Year — The County's budget and financial cycle, which by state law begins on July 1 and ends on June 30. In Chatham County fiscal years are designated by the year in which they end, for example, FY 2007 refers to the period of July 1, 2006 to June 30, 2007.
- 24) Full-time Equivalency (FTE) — Refers to the number of personnel employed by the County in terms of a 40-hour workweek. For example, two 50- percent positions equal one FTE position.
- 25) Functional Category — One of six categories to which departments are assigned, including Culture/Recreation, Education, General Government, Human Services, Natural Resource Management, and Public Safety. Departments are grouped by these categories to give Commissioners and the public an overall picture of where resources are targeted.
- 26) Fund — An accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or to attain certain objectives in accordance with set laws and regulations.
- 27) Fund Balance — The accumulation of moneys that are left unspent after all expenditures have been made and which may be appropriated to finance expenditures in future years. A fund balance gives the County a reserve from which 1) to make payments when major revenues have not yet come in (especially in the first few months of the fiscal year before property taxes are paid) and 2) to deal with unplanned emergencies and opportunities.
- 28) GIS — Geographic Information System.
- 29) General Fund — A fund which provides for the accounting of all financial resources, except those designated for another fund because of legal requirement or other reasons. Most basic government services are accounted for in this fund. Exceptions include water, sewer, waste management, special revenue funds, trust funds, and capital projects.
- 30) General Obligation Bonds — Bonds issued by the government which are backed by the full faith and credit of its taxing authority because they have been voted upon and approved by the County's citizens.

- 31) General Revenues — Those revenues not earmarked for a particular department or activity that can be used for any purpose. The major sources of general revenues are the property and sales taxes.
- 32) Geographic Information System (GIS) – A computer-based system that stores and links geographically referenced data with base maps to allow a wide range of information processing, map production, data analysis, and modeling.
- 33) Grants — A contribution from another government or private entity to be used for a specific purpose. Generally, grants must be tracked financially and very specific reports given to the funding agency to ensure compliance with grant provisions.
- 34) Installment Purchase – A means of debt financing that is essentially the same as a bank loan. Assets are used as collateral and it does not require a vote of the people.
- 35) Intergovernmental Revenues — Revenues from other governments (federal, state, and local) that can be in the form of grants, shared revenues, or entitlements.
- 36) Major Issues Document — A document produced in early winter based on preliminary revenue projections and needs identified by departments. This document is presented to Commissioners and the public and is used as the basis for feedback from Commissioners on preparation of the recommended budget.
- 37) Manager's Recommended Budget — The budget presented by the County Manager, who serves as the budget officer, to County Commissioners and the public for their review and revision. The recommended budget is based on Commissioner direction from the major issues document, revenue projections, department and agency requests, and the Manager's own priorities. State law requires the presentation of the recommended budget on or before June 1. Chatham County presents its recommended budget by April 30.
- 38) Mission – A statement of the fundamental purpose of a budget area.
- 39) NA — "Not applicable." Used in the context of performance measurement, it denotes that the service being measured was previously not provided.
- 40) NM — "Not measured." Used in the context of performance measurement, it denotes that the performance indicator was not measured.
- 41) Net Cost — The amount of general revenue that supports a particular function, department, or program. Net cost is calculated by subtracting offsetting revenues from expenditures. Net cost gives an indication of how much general revenue (mainly property and sales taxes) goes to support a budget area, department, or functional area.
- 42) OPC — Orange, Person, Chatham Mental Health, Developmental Disabilities, and Substance Abuse Authority.
- 43) Objective — A goal which the department is trying to reach during the fiscal year that is tied to level of service and effect on the public.
- 44) Offsetting revenues — Include fees and other revenues which are generated by or earmarked for a particular function, department, or program.
- 45) Performance Measure — Specific measurable indicators of goals identified by departments. Performance measures are the basis of performance-based budgeting and give an indication of workload, efficiency, effectiveness, and productivity.
- 46) Revenue — Income for the fiscal year. The County's major revenue sources are local, state, federal, transfers, fees, and grants.
- 47) Special Revenue Fund – Fund to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.
- 48) Tax Levy – Amount raised by general property taxes derived by multiplying the tax rate and the assessed value.
- 49) Tax Rate – The amount of tax levied for each \$100 of assessed valuation.
- 50) Trust Fund – Fund used to account for assets held by the County in a trustee capacity.