

## Glossary of Budget Terms

**2/3rds General Obligation Bonds:** GO Bonds that can be issued without referendum, which are limited in size to 2/3rds of the amount of GO bonds the issuing entity retired the prior fiscal year, assuming the entity does not issue new debt during the current fiscal year.

**Accrual:** Something that accrues; especially: an amount of money that periodically accumulates for a specific purpose (as payment of taxes or interest).

**Adopted Budget:** The budget as adopted by the Board of County Commissioners and is effective on July 1<sup>st</sup> of the fiscal year.

**Allocate:** To set apart portions of budgeted expenditures that are specifically designated to organizations for special activities or purposes.

**Appropriated Fund Balance:** Amount of fund balance appropriated as revenue for a given fiscal year, to offset operating expenditures that exceed current revenue. The appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year.

**Appropriation:** The legal authorization by the Board of County Commissioners to spend money and incur financial obligations as specified in the budget ordinance. An appropriation is limited in the amount and time when it may be expended.

**Assessed Valuation:** The total value of real estate and personal property (excluding exempt property) as determined by tax assessors and used as a basis for levying property taxes.

**Assessment:** The process for determining values of real and personal property for taxation purposes.

**Assets:** Property owned by the County that has monetary value.

**Balanced Budget:** When planned expenditures equal anticipated revenues. State law requires a balanced budget in North Carolina.

**Bond:** A written promise to pay a specific amount of money with interest within a specific time period, usually long-term. Bonds are typically issued to fund specific capital improvement expenditures. The County issues general obligation bonds, which require approval by voter referendum before issue and two-thirds, installment financing and revenue bonds, which do not require referendum approval.

**Bond Issuance:** The sale of government bonds as a means of borrowing money.

**Bonds Issued:** Bonds that have been sold.

**Bond Rating:** A grade given by bond rating agencies (Moody's, Standard & Poors (S&P), Fitch, etc.) indicating a government's investment qualities. Ratings range from AAA (highest) to D (lowest) and the higher the rating the lower the interest rate on the bonds.

**Budget:** A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

**Budget Message:** A written overview of the proposed budget from the County Manager to the Board of County Commissioners that discusses the major budget items and the County's present and future financial condition.

**Capital Budget:** A financial plan for capital projects which usually cost more than \$100,000 and have a useful life of more than ten years. However, capital projects for computer equipment and software may have a useful life of more than five years.

**Capital Outlay:** Vehicles, equipment, facility and land improvements, software, and furniture purchased by the County that cost more than \$5,000, less than \$100,000, and have an expected life of more than one year.

**Capital Project Fund:** A multi-year fund used to account for revenues and expenditures associated with capital projects.

**Capital Improvement Program:** A long-range plan of proposed capital improvement projects, which includes



estimated project costs and funding sources for a multi-year period.

**Cash Basis of Accounting:** A method for recording the receipt and expenditure of funds. Under the cash basis of accounting revenue are recorded when they are received and expenditures are recorded when funds are actually spent.

**Clerk to the Board:** The Clerk to the Board of County Commissioners is the primary administrative assistant to the Board. The Clerk prepares and promulgates meeting agendas, maintains the County's official files, and coordinates the Commissioners' schedules.

**Community Partners:** Community agencies or organizations that are financial partners with whom the County contracts to provide specific services.

**Comprehensive Annual Financial Report (CAFR):** Represents and reflects the County's financial operations and condition to the county's residents, its elected officials, management personnel, financial institutions, county bondholders, rating agencies, and all other parties interested in the financial affairs of the county. The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes financial statements audited by an independent public accounting firm.

**Contingency:** An account in which funds are set aside for unforeseen expenditures which may become necessary during the year and which have not been provided for in the context of the annual operating budget.

**Current Budget:** Represents the budget of the fiscal year in which the county is presently operating. Unless otherwise noted, the current budget reflects the County's revised budget as of March 31<sup>st</sup> of the current fiscal year.

**Debt:** Money or other property lent or borrowed and that must be repaid or returned. Debt may be outstanding for a short term (less than one year) or for a long term (one year or more).

**Debt Reduction Bonds:** General obligation bonds that can be issued by a local government without voter authorization under a

formula set by the State at two-thirds of the previous year's net debt reduction.

**Debt Service:** Cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

**Debt Service Fund:** A fund used to account for resources dedicated to the payment of principal and interest on general long-term debt.

**Deferred Revenue:** Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

**Deficit:** An excess of expenditures over revenues or expense over income.

**Department:** A functional service unit within a County Service Area that provides specific services also referred to as Division.

**Depreciation:** The decrease in value due to wear and tear of property.

**Division:** See Department.

**Employee Benefits:** For budgeting purposes, fringe benefits include employer payments for items such as separation allowance, 401-K supplemental retirement, retirement, Social Security, Medicare, retirement, group health and dental benefits, unemployment insurance, workers' compensation insurance, life insurance, and other fringe benefits.

**Encumbrance:** A financial commitment for services, contracts, or goods which have not yet been delivered or performed.

**Enterprise Fund:** A fund which accounts for operations that are primarily financed through user charges and whose operation resembles a business (e.g., Solid Waste Fund).

**Expenditure:** Disbursements of cash for the current costs of a program or capital project.



**Fiscal Year:** A twelve-month period (July 1 through June 30) to which the annual operating and capital budgets apply.

**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 attain objectives in accordance with established laws, policies, and regulations.

**Fund Balance:** Funds accumulated through the under expenditure of appropriations and /or the act of exceeding anticipated revenue.

**Full-time equivalent (FTE):** A position count that calculates staffing levels by the number of hours worked relative to a standard working schedule of 2,080 hours per year. For instance, a part-time position for 20 hours per week, or 1,040 hours per year, is considered 0.50 FTE.

**General Fund:** The principal operating fund which provides for the accounting of most basic governmental services.

**General Obligation Bonds (GO Bonds):** Bonds issued by a government which are backed by the full faith and credit of its taxing authority.

**Government Finance Officers Association (GFOA):** The GFOA is the professional association of state/provincial and local finance officers in the United States and Canada.

**Goal:** a strategic result or achievement that the Service Area of Division strives to obtain.

**Governmental Funds:** Funds that are used to account for those same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus.

**Grants:** A contribution or gift in cash or other assets from or to another government or non-profit foundation to be used for a specific purpose (e.g., van purchases for transportation program).

**Horizon Issues:** Operating or capital needs that departments plan to address in future years.

**Indirect Costs:** The component of the total cost for a service which is provided by another Service Area or Division (e.g., auditing).

**Intergovernmental Revenues:** Revenues received from other governments (State, federal, local), typically in the form of grants, shared revenues, or entitlements.

**Internal Service Fund:** A fund that accounts for the provision of services to County Service Areas by other County Service Areas on a cost reimbursement basis. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for its risk management activities and central cost allocation activities.

**Investment Earnings:** Earnings earned, usually interest, on investments entered into by the County.

**Lease-Purchase Agreement:** A method of purchasing equipment in which payments are spread over a multi-year period.

**Levy:** The amount of tax, service charges, and assessments imposed by a government.

**Mandate:** A legislative command to a local government, generally through State Statutes, to implement or discontinue a selected service or policy.

**Modified Accrual Basis of Accounting:** An accounting method where revenues are recorded when they become measurable and available and expenditures are recorded when the liability is incurred. This is the primary basis of accounting for the County.



**Non-departmental:** Non-departmental appropriations for purposes such as merit, unassigned retiree health benefits, fuel contingency, accident contingency, and other unassigned adjustments. These funds will be distributed to Service Areas once budget decisions and or needs arise.

**Object Code:** An expenditure classification related to the type of goods and services purchased, such as office supplies.

**Operating Budget:** The County's financial plan that outlines proposed expenditures for the coming fiscal year and estimated revenue which will be used to finance them.

**Operating Expenditures/ Expenses:** Recurring expenditures for services, supplies, equipment, and payments to individuals and other agencies.

**Ordinance:** A legal document adopted by the local governing body setting policy and procedures.

**Per Capita:** Represents a given quantitative measure (e.g., spending, inspections, and ambulance trips) per unit of population.

**Performance Measure:** A goal-driven estimation of past, present, and future success of the delivery of a given service, program, or function.

**Personal Income:** Income that is received by persons from all sources. It is calculated as the sum of salary and wage disbursements, supplements to wages and salaries, proprietor's income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

**Personal Property Tax Base:** All non-household personal value such as automobiles, boats, etc., and all noninventory business items such as equipment, vehicles, materials, and supplies.

**Personnel Services:** Expenditures for salaries and fringe benefits.

**Policy:** An established plan of action used to guide decisions and actions.

**Project Code:** Used to match revenues with expenditures for a particular capital program, capital project, or operating project.

**Property Tax Rate:** The rate at which property in the County is taxed to produce revenues sufficient to cover necessary governmental activities.

**Proprietary Funds:** The County has three proprietary funds – *Water and Sewer, Solid Waste, and Storm water. Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the enterprise fund to account for its solid waste landfill operations and storm water. This fund is the same as the function shown in the business-type activities personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance. in the Statement of Net Assets and the Statement of Activities.

**Public Service Companies Tax Base:** Non-governmental business entities which delivers public services that are considered essential to the public interest, such as natural gas, pipelines, electricity, telephone and railroads.

**Real Property Tax Base:** All land and buildings which are taxable.

**Revaluation:** The periodic reassessment of a jurisdiction's real property in order to adjust the tax value to market value. North Carolina law stipulates that a revaluation must be done at least every eight years.

**Reclassification:** A change in the classification and corresponding job title of an existing position that results from a major change in assigned responsibilities.

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

**Revenue:** All funds that the County receives as income, including items such as tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.



**Service Area:** The primary organizational units of County government that provides specific services. A Service area often broken into Divisions which offer a more specific service.

**Self-insurance:** A risk management method whereby an eligible risk is retained, but a calculated amount of money is set aside to compensate for the potential future loss. The amount is calculated using actuarial and insurance information so that the amount set aside (similar to an insurance premium) is enough to cover the future uncertain loss.

**Special Assessment:** A levy on certain properties to defray part or all of the costs associated with improvements or services that will benefit those specific properties.

**Special Revenue Fund:** A fund used to account for the revenues from specific sources which must be used for legally specified expenditures (e.g., Emergency Telephone System Fund.)

**Statute:** A law enacted by the State Legislature.

**Transfer In/Out:** Reallocating resources between different funds.

**Trend:** A pattern that emerges from multiple units of data over time.

**Taxing Authority:** A legislative body that has the legal ability to impose a tax on its citizens.

**Unearned Revenue**—A type of deferred revenue account used in connection with resources that have not yet been earned.

**Unincorporated Area:** Area of the county that is not part of any municipality.

**Unrealized Revenues:** The difference between estimated revenues and actual revenues.

**User Fee:** A charge assessed each time a customer uses a County service for which fees are charged.

**Working Capital:** The amount of current assets that is in excess of current liabilities. Used frequently to measure an entity's ability to meet current obligations.

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## Acronyms

4-H – Head, Heart, Health and Hands  
ACD – Automated Call Distribution  
ACS – American Community Survey  
ACSP – Agriculture Cost Share Program  
ADA – Americans with Disabilities Act.  
ADM – Average Daily Membership  
AEPF – Automation Enhancement Preservation Fund  
AGWRAP – Agriculture Water Resource Assistance Program  
ATV – All Terrain Vehicle  
BA – Budget Ordinance  
BMP – Best Management Practices  
BMP – (Position) Building Mechanical Plumbing  
BOCC – Board of County Commissioners  
BOE – Board of Education  
CAD – Computer Aided Dispatch  
CAFR – Comprehensive Annual Financial Report  
CATS – Charlotte Area Transportation System  
CAMA - Computer Assisted Mass Appraisal  
CCAP – Community Conservation Assistance Program  
C-COM – Union County Department of Emergency Communications  
C&D – Construction and Demolition  
CDBG – Community Development Block Grant  
CDC – Center for Disease Control  
CFPB - Consumer Finance Protection Bureau  
CIP – Capital Improvement Plan  
CLOMR – Conditional Letter of Map Revision  
CMC – Carolinas Medical Center  
CMC - Union - Carolinas Medical Center Union Hospital  
CMUD – Charlotte Mecklenburg Utility District  
COA – Council on Accreditation  
COBRA – Consolidated Omnibus Budget Reconciliation Act  
COLA – Cost of Living Adjustment  
COPs – Certificates of Participation  
CP – Capital Program  
CPCC – Central Piedmont Community College  
CPI – Consumer Price Index  
CPO – Capital Project Ordinance  
CPS – Child Protective Services  
CRWTP – Catawba River Water Treatment Plant  
DA – District Attorney  
DARE – Drug Abuse Resistance Education  
DEA – Drug Enforcement Agency

DENR – Department of Environment and Natural Resources  
DHHS – Department of Health and Human Services  
DJJDP – Division of Juvenile Justice & Delinquency Prevention  
DMV – Division of Motor Vehicles  
DOJ – Department of Justice  
DOL-BLS – Division of Labor-Bureau of Labor and Statistics  
(Federal)  
DOT – Department of Transportation  
DPI – Department of Public Instruction (North Carolina)  
DWI – Driving While Intoxicated  
ECM – Electronic Content Management  
ECP – Education Capital Program  
EDG – Monroe Union County Economic Development group  
EFNEP – Expanded Food and Nutrition Education Program  
EM – Emergency Management  
EMMA – Electronic Municipal Market Access Database  
EMS – Emergency Medical Services  
EMT – Emergency Medical Technical  
EOP – Emergency Operation Plan  
EPA – Environmental Protection Agency  
ESC – Employment Security Commission  
ETJ - Extraterritorial Jurisdiction  
FCC – Federal Communications Commission  
FD – Fire Department  
FDIC – Federal Deposit Insurance Corporation  
FEMA - Federal Emergency Management Agency  
FLSA – Fair Labor Standards Act  
FMLA – Family and Medical Leave Act  
FNS – Food and Nutrition Assistance  
FSRS – Fire Suppression Rating Schedule  
FTE – Full-time Equivalent  
FY – Fiscal Year  
GAAP – Generally Accepted Accounting Principles  
GCP – General Capital Program  
GFOA – Government Finance Officers Association  
GIS – Geographic Information Systems  
GO – General Obligation Bonds  
GS – General Statute  
GSA – General Services Administration  
HAZMAT – Hazardous Materials  
HIS – Health Information System  
HIPPA – Health Information Privacy & Portability Act  
HR – Human Resources  
HUBs – Historically Underutilized Businesses



HVAC – Heating, Ventilation, Air Conditioning  
 I&E – Improvements and Expansion  
 IBT – Inter-Basin Transfer  
 ILP – Intelligence-Led Program  
 IMT – Incident Management Team  
 ISO – Insurance Services Office, Insurance Service Organization  
 IT – Information Technology  
 JCP – Juvenile Crime Prevention  
 JJDP - Juvenile Justice Delinquency Provision  
 K – Thousand  
 LECP – Local Emergency Planning Committee  
 LGC – Local Government Commission  
 LIEAP – Low Income Energy Assistance Program  
 LLEBG – Local Law Enforcement Block Grant  
 LOBs – Limited Obligation Bonds  
 LOMR – Letter of Map Revision  
 LRTP – Long Range Transportation Plan  
 LSTA – Library Services Technology Act  
 MGD – Million Gallons per Day  
 MHZ – Megahertz  
 MHI – Median Household Income  
 MM – Million  
 MOE – Maintenance of Effort  
 MOU – Memorandum of Understanding  
 MSA – Metropolitan Statistical Area  
 MSW – Municipal Solid Waste  
 MUMPO - Mecklenburg-Union Metropolitan Planning Organization  
 MW – Megawatt  
 NACO – National Association of Counties  
 NAED – National Academy of Emergency Dispatch  
 NC – North Carolina  
 NCARD – North Carolina Association of Register of Deeds  
 NCDOT – North Carolina Department of Transportation  
 NC CWRL – North Carolina Clean Water Revolving Loans  
 NC FAST – North Carolina Families Accessing Services through Technology  
 NC LINKS - North Carolina Foster Care Independence Program  
 NCACC – North Carolina Association of County Commissioners  
 NC SBOE – North Carolina State Board of Elections  
 NCDENR – NC Department of Environmental and Natural Resources  
 NCDVA – North Carolina Division of Veterans Affairs  
 NCGS – North Carolina General Statutes  
 NCSU – North Carolina State University  
 OPEB – Other Post-Employment Benefits

OSBM – Office of State Budget and Management (North Carolina)  
 OSFM – Office of State Fire Marshal  
 OSHA – Occupational Safety and Health Act  
 PayGO – Pay as You Go  
 PC – Personal Computer  
 PS – Pump Station  
 PSAP – Public Safety Answering Point  
 PT – Part-time Positions  
 PVC – Polyvinyl Chloride  
 PWCP – Public Works Capital Program  
 R&R – Rehabilitation and Renewal  
 REAP – Reaching for Excellence and Accountability in Practice  
 RHCBC – Retiree Healthcare Benefits  
 RFP – Request for Proposal  
 ROD – Register of Deeds (Union County)  
 RPO – Rural Planning Organization  
 RV – Recreational Vehicle  
 SAN – Storage Area Network  
 SAP – Small Area Plan  
 SARA – Superfund Amendments and Reauthorization Act of 1986  
 SAT – Scholastic Aptitude Test  
 SCBA – Self Contained Breathing Apparatus  
 SD – Subdivision  
 SEC – Securities and Exchange Commission  
 SEIMS – Statewide Election Information Management System  
 SF – Square Foot, Square Feet  
 SMF – Stormwater Management Facility  
 SOP – Standard Operating Procedure  
 SPCC – South Piedmont Community College  
 SQ - Square  
 SRO – School Resource Officer  
 SSA – Social Services Administration  
 SWCD – Soil Water Conservation Division  
 TANF – Temporary Assistance to Needy Families  
 TBD – To Be Determined  
 TPT – Temporary Part Time  
 UCC – Uniform Commercial Code  
 UCCIP – Union County Capital Improvement Program  
 UCPS – Union County Public Schools  
 UCISO – Union County Sheriff's Office  
 UDO – Unified Development Ordinance  
 UNCC – University of North Carolina at Charlotte  
 USDA – United States Department of Agriculture  
 VA – Veterans Affairs



VAD – Voluntary Ag District  
VFD – Volunteer Fire Department  
VOIP – Voice Over Internet Protocol  
VSO – Veterans’ Service Office  
WIC – Women, Infants & Children Program  
WWTP – Waste Water Treatment Plant

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