

## **GLOSSARY**

## **CITY OF KEARNEY GLOSSARY**

ACCOUNT	A term used to identify an individual asset, liability, expenditure control, revenue control or fund balance.
APPROPRIATION	An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.
ASSESSED VALUATION	A valuation set upon real estate or property by the County Assessor as a basis for levying taxes.
BOND	A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. <u>Note</u> : The difference between a warrant and a bond is that the latter usually runs for a longer period of time and requires greater legal formality.
BOND FUND	A fund used to account for the proceeds of general obligation bond issues.
BONDED DEBT	That portion of indebtedness represented by outstanding bonds.
BOND ISSUED	Bonds sold.
BUDGET	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. For additional information, see Performance Budget and Program Budget.
BUDGET MESSAGE	A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.
BUDGET (APPROPRIATION)	The city prepares its budget in conformity with practices prescribed or permitted by the applicable statutes of the State of Nebraska. As prescribed by the Statutes, the city in its budgeting process includes as a resource (amount available for

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current expenditures) a portion of the fund balance that has been accumulated in prior years. This process minimizes tax levies and utilizes all available resources to the fullest extent.

<b>CAPITAL PROJECTS</b>	Established to account for all resources, principally bond proceeds and construction grants, which are used for the acquisition of capital facilities.
<b>CAPITAL BUDGET</b>	A plan of proposed capital outlays and the means of financing them for the current fiscal year.
<b>CAPITAL OUTLAYS</b>	Expenditures which result in the acquisition of or addition to fixed assets.
<b>CHART OF ACCOUNTS</b>	The classification system used by a city to organize the accounting for various funds.
<b>DEBT SERVICE FUND</b>	A fund established to finance and account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Also called a SINKING FUND.
<b>DEBT SERVICE FUND REQUIREMENT</b>	The amounts of revenue which must be provided for a debt service fund so that all principal and interest payments can be made in full on schedule.
<b>DEBT SERVICE REQUIREMENT</b>	The amounts of money required to pay the interest on outstanding debt, serial maturities of principal for serial bonds and required contributions to a debt service fund for term bonds.
<b>ENTERPRISE FUND</b>	A fund established to finance and account for operations (1) 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 (2) 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. Examples of enterprise funds are those for

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utilities, golf courses, airports and solid waste services.

### EXPENDITURES

If the accounts are kept on the accrual basis this term designates total charges incurred, whether paid or unpaid, including expenses, provision for retirement of debt not reported as a liability of the fund from which retired, and capital outlays. If they are kept on the cash basis, the term covers only actual disbursements for these purposes.

### EXPENSES

Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which are presumed to benefit the current fiscal period. Note: Legal provisions sometimes make it necessary to treat as expenses charges whose benefits extend over future periods. For example, purchase of materials and supplies which may be used over a period of more than one year and payments for insurance which is to be in force for a longer period than one year frequently must be charged in their entirety to the appropriation of the year in which they are incurred and classified as

expenses of that year even though their benefit extend also to other periods.

### FIDUCIARY FUND

A fund used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (1) Expendable Trust Funds, (2) Non-Expendable Trust Funds, (3) Pension Trust Funds and (4) Agency Funds.

### FISCAL PERIOD

Any period at the end of which a governmental unit determines its financial condition and the results of its operations and closes its books. Note: It is usually a year, though not necessarily a calendar year.

### FISCAL YEAR

A twelve-month period of time to which the annual budget applies and at the end of which a city determines its financial position and results of operations.

### FIXED ASSETS

Assets of a long-term character in which the intent is to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.