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Administrative Charge. Payments to the General Fund for indirect costs incurred against General Fund budgets.

Ad Valorem Tax. A tax levied on the assessed value of both real and personal property in proportion to the value of the property (commonly referred to as "property tax").

Alcoholic Liquor Tax. A tax on gross receipts from the sale of liquor at retail.

Allocation. Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities or other logical measures of use.

Appraised Value. Market dollar value given to real estate, utilities, and personal property; established through notification, hearing and appeals and certification process.

Appropriation. An authority and allocation created by City Council that permits the officials to incur obligations against, and to make expenditures of, governmental resources (revenues).

Assessed Value. Appraised value of property adjusted downward by a classification factor, to determine the basis for distributing the tax burden to property owners.

Asset. Resources owned or held by a government which have monetary value.

Attrition. A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Authorized Positions. Employee positions, which are authorized in the adopted budget, to be filled during the year.

Audit. A review of the City's accounts by an independent accounting firm to substantiate year-end fund balances, reserves, and cash on hand.

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Base Budget. Cost of continuing the existing levels of service in the current budget year.

Bingo Tax. A three percent (3%) tax on gross revenues incurred by bingo parlors to be used for the purpose of enforcement and regulation.

Bond. A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The City sells bonds as a means of borrowing revenue for costly projects and repays the debt to the lender over an extended period of time, similar to the manner in which a homeowner repays a mortgage.

A bond differs from a note in two ways. A bond is issued for a longer period of time than a note and requires greater legal formality. Bonds are primarily used to finance capital projects.

Budget. Financial plan consisting of estimated revenues and expenditures (purposes) for specified time. The operating budget provides for direct services and support functions of the City (e.g.; Police, Fire, Public Works, etc.). The capital budget (Capital Improvement Program) provides for improvements to the City's infrastructure and facilities, and utilizes long-term financing instruments.

Budget Amendment. Legal means by which an adopted expenditure authorization or limit is increased and could be authorized with a publication, a hearing or a re-certification of the budget.

Budgetary Basis. This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar. The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budget Message. A general policy discussion of the budget as presented in writing by the budget-making authority to the City Council. The message outlines the budget plan and main points of interest. The City's budget message is presented as the City Manager's letter in the proposed and adopted budget documents.

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Capital Improvements. Any significant physical acquisition, construction, replacement, or improvement to a City service delivery system.

Capital Improvement Program (CIP). A ten-year expenditure plan financing new infrastructure and facilities, or improvements to the existing infrastructure and facilities. Set forth in the CIP is the name of each project, the expected beginning and ending date, the amount to be expended in each year and the proposed method of financing the projects.

Capital Outlay. An item of non-expendable nature with a value greater than \$1,500 and with an anticipated life of more than one year under normal use.

Carry-Over. Appropriated funds that remain unspent at the end of a fiscal year and are allowed to be retained in the appropriating budget and expended in subsequent fiscal years for the purpose designated.

Cash Basis. A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Charges for Current Services and Sales. Revenue derived from all charges required for current services and sales such as the recording of legal instruments, the sale of certificates, examination fees, the sale of department division manuals, street cut repairs, and safety charges and sales, nursing fees and other health charges and sales.

Collective Bargaining Agreement. A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

Commodity. An expendable item used by operating activities. Examples include office supplies, repair, and replacement parts for equipment, toilet supplies and gasoline and oil.

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).

Contingency. A budgetary reserve amount established for emergencies or unforeseen expenditures not otherwise known at the time the budget is adopted.

Contractual Services. A cost related to a legal agreement. Examples include insurance premiums, utility costs, printing services and temporary employees (hired through a private firm).

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Dealers' Stamp Tax. Taxes paid on new and used automobiles by dealers in lieu of ad valorem taxation on automobile dealers vehicle inventory.

Debt Service. Principal and interest requirements on outstanding debt according to a predetermined payment schedule.

Deficit. An excess of current-year expenditures over current-year resources.

Delinquent Tangible Property Tax. Ad valorem property taxes collected from previous tax years.

Department. The basic unit of service responsibility, encompassing a broad mission of related activities.

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

Disbursement. The expenditure of monies from an account.

Distinguished Budget Presentation Awards Program. A voluntary awards program administered by the Government Finance Officers Association (GFOA) to encourage governments to prepare effective budget documents.

Division. A sub-unit of a department that encompasses a substantial portion of the duties assigned to a department. May consist of several sections, which in turn may consist of clearly defined activities.

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Employee (or Fringe) Benefits. Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical and life insurance plans.

Encumbrance. Obligations in the form of purchase orders or contracts that are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances are eliminated when paid or when an actual liability is established.

Enterprise Fund. Used for government functions that are self-supporting. Enterprise funds belong to the group of funds called "proprietary" and account for operations that provide services to the community at large.

Entitlements. Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Expenditure. Actual outlay of funds. Expenditures are budgeted by function: personal services (salaries and benefits), contractual services, commodities (materials and supplies), capital outlay, and other (including transfers out, debt service, contingencies and inventory clearing accounts).

Expense. Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

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Federal and State Grants and Contributions. Revenue received from the federal and state governments under an administrative agreement to provide financial assistance for programs such as low-cost housing, youth programs, health-related programs, or other federal and state-supported projects.

Fines and Penalties. Revenue derived primarily from Municipal Court fines, forfeits, and penalties.

Fiscal policy. A government's policies with respect to revenues, spending and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming, or government budgets and their funding.

Fiscal Year. The 12-month budget period. The fiscal year for the City of Wichita is the January through December calendar year.

Fixed Assets. Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. Capital assets are also called fixed assets.

Franchise Fee. An annual assessment paid by utilities for the privilege of doing business in Wichita. The current rate is five percent of a utility's gross receipts.

Full-Time Equivalent Position (FTE). A position converted to the decimal equivalent based on 2,080 hours per year. For example, a summer lifeguard working 8 hours per day for four months, or 690 hours, would be equivalent to .3 of a full-time position.

Fund. Accounting entity with accounts for recording revenues and expenditures to carry on specific purposes.

Fund Balance. The total dollars remaining after current expenditures for operations and debt service for capital improvements are subtracted from the sum of the beginning fund balance and current resources. The City Council policy goal is to maintain a total appropriated and unappropriated fund balance/reserve between five to ten percent of the General Fund expenditure budget. State law allows a maximum of 5 percent of certified budgets/funds to be unappropriated.

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

GFOA. Governmental Finance Officers Association. The professional association of state/provincial and local finance officers in the United States and Canada, serving the public finance profession since 1906, with over 15,500 GFOA members dedicated to the sound management of government financial resources.

Gasoline Tax. A tax on the use, sale, or delivery of all motor-vehicle fuels used, sold, or delivered in this state for any purpose whatsoever. Taxation rates are set by a formula established by the Director of Taxation.

General Fund. The City's principal operating account, which is supported primarily by taxes and fees having no restriction on their use.

Goal. A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds. An accounting entity used to account for operations that rely mostly on current assets and current liabilities. Governmental funds include the General Fund, special revenue funds, and the Debt Service Fund.

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Infrastructure. The physical assets or foundation of the City, including buildings, parks, streets and water and sewer systems.

Interest Earnings. Revenue derived from the proper management of the City's assets, through investment of public funds being held until expended or distributed to other units of government. Revenue derived from the proper management of the City's assets, through investment of public funds being held until expended or distributed to other units of government.

Intergovernmental Revenue. Revenue 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. An accounting entity used to account for operations that provide services to City departments at cost. Like enterprise funds, internal service funds belong to the "proprietary" group of funds.

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Licenses. Revenue derived from the issuance of a legal permission by the City of Wichita, which authorizes a person to operate a business or occupation in the municipality.

Line Item. The smallest expenditure detail in department budgets. The line item also is referred to as an "object," with numerical "object codes" used to identify expenditures in the accounting system. Within the accounting system, "objects" are further divided into "sub-groups."

Local Sales Tax. A one percent (1%) tax approved by the voters in July 1985, levied on gross retail sales in Sedgwick County in addition to the four and nine-tenths percent (4.9%) tax levied by the state of Kansas.

Longevity. Employee compensation payments made in recognition of a minimum number of years employed full time with the same entity. Longevity payments are two dollars per month multiplied by the total accumulative years of service, payable after six years in employment.

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Mill. The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

Motor Vehicle Tax. A tax collected by Sedgwick County on all motor vehicles that are not subject to property or ad valorem taxes, such as passenger cars, pick-up trucks and motorcycles.

—O—

Operating Budget. A budget that applies to all outlays other than capital improvements. This refers more to the day-to-day operations of the City.

Operating Expenses. The cost of personnel, materials and equipment required for a department to function.

Operating Revenue. Funds that the government receives as income to pay for ongoing operation. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Output Indicator. A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of burglary arrests made, etc.). Output indicators do not reflect the effectiveness or efficiency of the work performed.

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Payment in Lieu of Taxes. Revenue derived from the issuance of a legal permission by the City of Wichita authorizing certain work to be performed on a particular project.

Performance Indicators. Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measures. A means, usually quantitative, of assessing the efficiency and effectiveness of department work programs.

Personal Services. All costs related to compensating employees, including employee benefit costs such as the City's contribution for retirement, social security, and health and life insurance.

Prior-Year Encumbrances. Obligations from previous fiscal years in the form of purchase orders or contracts which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program. A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Proprietary Funds. Accounting entities to account for operations similar to a private enterprise with a balance sheet that incorporates long-term debt obligations, assets and liabilities, and depreciation. Enterprise funds and internal service funds are "proprietary" funds.

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Rental Income. Revenue derived from the rental of City facilities such as City Hall Cafeteria and Parking Garage, Century II Concert Hall, Lawrence-Dumont Stadium, Expo Hall, park facilities and the like.

Reserve. A portion of fund equity legally restricted for a specific purpose or not available for appropriation and subsequent spending. It is normally set aside of funds for emergencies or unforeseen expenditures not otherwise budgeted.

Resources. Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Retained Earnings. Reserved and unreserved assets (recorded in proprietary fund operations), held for future operating needs and equipment replacement.

Revenue. Taxes, user fees, and other sources of income received into the City treasury for public use.

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Service Level. Services or products which compromise actual or expected output of a given program. Focus is on results, not measures of workload.

Special Assessment. A compulsory levy made upon a properties to defray part or all of the costs of a specific improvement that primarily benefits that specific property.

Special Revenue Fund. An accounting entity to record revenue that is legally destined for a specific purpose and the expenditure of the dedicated revenue.

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Tax Lid. Law limiting amount of property tax that can be levied for a specific government function. Also known as aggregate tax levy limitation.

Taxes. Compulsory assessments levied by a government for the purpose of financing services performed for the common benefit of the citizens. Taxes do not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Tort. A wrongful act or damage involving a breach of legal duty for which a civil action can be brought.

Transient Guest Tax. A six percent (6%) tax upon the gross receipts paid by guests in any hotel, motel, or tourist courts located in the incorporated territory of the City of Wichita.

Trust Fund. Used when the City is custodian of money to be reserved and spent for a special purpose.

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Unencumbered Balance. The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance. The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees. Revenue derived from payments made by the general public for the purpose of utilizing goods and services, such as entry fees, Park Department charges, class registrations, tenant rental and concessions.