

GLOSSARY

ACCRUAL ACCOUNTING

A measure of revenues earned and expenses incurred by the City during the period, regardless of when cash is received or paid

ADOPTED BUDGET

The budget approved by City Council at the beginning of the fiscal year

AD VALOREM TAX

A tax levied on the assessed valuation of real land and improvements and personal property located in the City

ADDITIONAL RESOURCES

Grants, trusts, or any other source of funds (excluding capital funds) that contribute to the service and are receiving new appropriations in the next biennial

AGENCY FUND

Resources retained by the governmental unit as an agent for another governmental unit

AMORTIZATION

An accounting method that reduces the value of a loan or an intangible asset over time

APPROPRIATION

An authorization made by the City Council that permits officials to incur obligations against and make expenditures of governmental resources

ARBITRAGE

The difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the tax-exempt bonds in higher-yielding taxable securities

ASSESSED VALUATION

The total valuation of land and improvements and personal property, less all properties exempt from tax; also known as taxable valuation

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AUDIT

A comprehensive examination and written report of the way the government's resources were utilized. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the government met its stated goals. An accounting audit is intended to ascertain whether financial statements fairly present financial position and results of operations.

BALANCED BUDGET

A budget with revenues equal to expenditures

BIENNIAL BUDGET

A balanced budget that covers two fiscal years

BOND

A written promise to pay a sum of money on a specified date at a specified interest rate; general obligation (GO) and revenue bonds are used for funding permanent capital improvements, such as buildings, streets, or water and wastewater pipes

BUDGET

A financial plan for a specified period that matches all planned revenues and expenditures with various municipal services; the primary means by which most expenditures and service delivery activities of a government are controlled

CAPITAL CONSTRUCTION FUND

Used to pay for capital projects that are not debt-financed; funding is usually derived from operating fund transfers

CAPITAL EXPENDITURE

The acquisition or construction of an asset that has a useful life greater than one year

CAPITAL GIFTS AND DONATIONS

Contributions by individuals or organizations to fund capital improvements within the scope of interest of the donor

CAPITAL IMPROVEMENT PROGRAM (CIP)

The City's plan to finance major infrastructure development and improvement; primarily funded through GO and revenue bonds

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CAPITAL PROJECTS FUND

Used to account for and report financial sources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets

CERTIFICATE OF OBLIGATION (CO)

A written promise secured by the full faith and credit of the City used for funding permanent capital improvements; debt service is paid from ad valorem taxes or operating revenues

COMMERCIAL PAPER

A short-term promissory note offering flexibility to borrow as needed at the time of the actual award of projects instead of sale of bonds

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Federal funds available to municipalities specifically for activities and programs to create viable urban communities for low- and moderate-income individuals

CONTINGENCY RESERVE

A budgetary reserve that provides for unanticipated and non-recurring expenditures

CONTRACTUAL SERVICE

The cost related to services performed for the City by individuals, businesses, or utilities

DEBT SERVICE

Used to account for the accumulation of financial resources to meet the requirements of general obligation debt service and debt service reserve; sometimes referred to as the Interest and Sinking Fund

DEFICIT

An excess of expenses over revenues at a specific point in time

DEPARTMENT

A major administrative division of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area

DEPRECIATION

A systematic allocation of cost for a tangible asset during its estimated useful life; calculation is based on a reduction in the asset's value over time, particularly because of wear and tear

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EMERGENCY RESERVE

A budgetary reserve that provides for temporary financing of unanticipated or unforeseen extraordinary needs of an emergency nature

ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service

ENTERPRISE FUND

Funds fully supported by charges for service; each fund establishes revenue-based fees and charges to recoup the costs of providing the services

EQUIPMENT ACQUISITION NOTES

Short-term note financing secured by the full faith and credit of the City used for funding capital equipment purchases; debt service requirements are met with ad valorem or operating transfers from fee-supported funds

FIDUCIARY FUND

A fund that accounts for assets held by the City in a trustee or agency capacity

FINANCIAL MANAGEMENT PERFORMANCE CRITERIA (FMPC)

Established in the late 1970s to reflect financial policies the City deems necessary for planning purposes and to measure sound financial condition; these criteria apply to the ongoing management of the City's finances and cover the following aspects of financial management: operating programs, capital and debt management, accounting, auditing and financial planning, cash management, grants and trusts, and Dallas Water Utilities

FINES AND FORFEITURES

Charges levied by City departments to individuals and businesses that are resolved through payment or loss of property

FISCAL YEAR (FY)

The 12-month period beginning October 1 and ending the following September 30 to which the annual budget applies

FRANCHISE FEE

A fee levied by the City Council on businesses that use the City's right-of-way to deliver services; this fee is usually charged as a percentage of gross receipts

GLOSSARY

FULL-TIME EQUIVALENT (FTE)

A unit used to quantify staffing equal to 2,080 hours of paid time; one FTE is a full-year position working 40 hours per week, while a part-time position working 20 hours per week or a temporary full-time position working six months would be 0.5 FTE

NOTE: Dallas Fire-Rescue calculates one uniform FTE as 2,080 or 2,808 hours of paid time, depending on the assignment.

FULL-YEAR FUNDING (FYF)

The additional funding needed for 12 full months of operations related to positions or programs added in the previous fiscal year; this funding complements prior-year funding

FUND

A fiscal and accounting entity with a self-balancing set of accounts (assets, liabilities, fund balance) set aside for specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations

FUND BALANCE

The difference between a fund's assets and liabilities. For the purposes of this document, two different calculations are used. For the General Fund, the unreserved undesignated portion of fund balance is reported. For other funds, fund balance is reported as current assets, less current liabilities, less reserves for encumbrances. For non-enterprise funds, sick and vacation accruals are excluded. For multi-year funds, reserves for encumbrances are not excluded. For funds that use inventory accounting, inventory encumbrances are not deducted (to avoid double-reduction).

GENERAL CAPITAL RESERVE

The depository for proceeds from property sale, abandonments, or reimbursements of prior loans/advances providing funds for capital improvements and/or to provide interim financing for capital projects

GENERAL FUND

The main operating fund of the City, which accounts for basic operating services such as police, fire, streets, code enforcement, parks and recreation, libraries, and others

GENERAL OBLIGATION (GO) BOND

Bonds used for funding permanent public capital improvements such as buildings, streets, and bridges; these bonds are repaid from the levy of property taxes, and voter approval is required to issue them

GLOSSARY

GOVERNMENTAL FUNDS

A type of fund; governmental funds include the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds

GRANT

A contribution by a government or other organization to support a certain function; typically, these contributions are made to a local government from the state or federal government

HEADCOUNT

The number of employees on payroll at the time the count is calculated (changes daily)

IN-SERVICE DATE

The date on which a City facility is available to the public

INTER-DEPARTMENT FINANCING

Short-term interim financing from one City department to another (necessary due to timing of project with permanent financing mechanism) with the repayment of the loan plus interest once permanent financing is in place

INTEREST EARNED

Assets collected through investment of cash

INTERFUND REVENUE

Assets transferred from one fund to another for services rendered; includes revenues from various funds that provide indirect cost payments to the General Fund, as well as Dallas Water Utilities street rental payments, and surplus property auction revenue

INTERGOVERNMENTAL REVENUE

Money collected from other governmental entities

INTERNAL SERVICE FUND

A fund used to account for goods or services given to one department by another on a cost-reimbursement basis

LIABILITY RESERVE

Funds reserved for outstanding current and forecasted future liabilities

LICENSE AND PERMITS REVENUE

Revenues related to various license and permit fees

GLOSSARY

MAJOR FUND

Funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of the total for their fund category (government or enterprise) and five percent of the aggregate of all governmental and enterprise funds in total.

MASTER LEASE

A short-term financing program offering flexibility to borrow as needed at the time of the actual purchase of equipment or technology improvements instead of the sale of equipment acquisition notes

MEET & CONFER AGREEMENT

An agreement between the City and police and fire employee associations on wages, benefits, and working conditions for uniform employees in accordance with Chapter 147 of the Texas Local Government Code

MISCELLANEOUS REVENUE

Revenues from rentals, gifts and donations, and collections for damages to City property

MODIFIED ACCRUAL BASIS OF ACCOUNTING

A basis of accounting according to which (a) revenues are recognized in the accounting period in which they became available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due

NON-UNIFORMED EMPLOYEE

Non-sworn City employees in any department, including Dallas Fire-Rescue, the Dallas Police Department, and other Civil Service departments and including part-time and temporary employees, but not independent contractors or City Councilmembers; where eligible, these employees are covered by the Employees' Retirement Fund

ONE-TIME RESOURCES

Non-recurring revenues that will be used for one-time expenses

OPERATING AND MAINTENANCE COST

The operational cost incurred by a facility for one year

OPERATING BUDGET

The personnel, supply, service, and short-term capital expenditures of a department

GLOSSARY

PARTIAL-YEAR FUNDING

The funding required to partially fund operations related to positions and/or program funding added in a fiscal year

PERMANENT FUND

A fund used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its residents

PLANNED BUDGET

The second year of the City's financial operations plan (biennial budget); state law does not allow cities in Texas to adopt a two-year appropriation

POSITION

A specific job with an assigned position identification number, including full-time, part-time, and temporary

PROGRAM

A sub-unit of a department

PROPRIETARY FUND

A fund with profit and loss aspects; the two types are enterprise and internal service funds

REIMBURSEMENT

The repayment of funds from one fund or department to another for a specific purpose

REVENUE

A receipt of cash from another entity that requires a cash receipt to be entered in the financial system

REVENUE FUND

A fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects

SERVICE

A specific operation performed within a department or office

GLOSSARY

STRATEGIC PRIORITIES

Values that allow an organization to achieve its goals; the City Manager and City Council established the following strategic priorities to guide the work of City departments and operations: (1) Economic Development, (2) Environment and Sustainability, (3) Government Performance and Financial Management, (4) Housing and Homelessness Solutions, (5) Public Safety, (6) Quality of Life, Arts, and Culture, (7) Transportation and Infrastructure, and (8) Workforce, Education, and Equity

STRUCTURALLY BALANCED BUDGET

A budget that provides for annual recurring total expenditures and encumbrances, which are equal to or less than the annual recurring revenue estimate for the fund

TRUE INTEREST COST

The full cost of a bond issue accounting for the present value (time value) of money; the rate of interest, compounded semiannually, required to discount the payments of principal and interest to bondholders to the original purchase price

UNIFORMED EMPLOYEE

Sworn City employees in Dallas Fire-Rescue or the Dallas Police Department, including firefighters, police officers, trainee police officers, and park rangers; these employees are covered by the Dallas Police and Fire Pension System