

# Glossary of Budget Terms

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| Ad Valorem Tax              | A tax levied on the assessed value of both real and personal property in proportion to the value of the property (also known as "property taxes").   |
| Appropriation               | An authorization made by the City Council which permits officials to incur obligations against and to make expenditures of governments resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period.                                   |
| Appropriation Unit          | An accumulation of appropriations in a fund usually grouped by a department, division or organization.   |
| Assessed Valuation          | The valuation placed upon real and certain personal property by the County Assessor as the basis for levying property taxes.   |
| Assets                      | Resources owned by the City which have monetary value.   |
| Attrition                   | Estimated savings from temporarily unfilled positions.   |
| Balance Sheet               | A basic financial statement that discloses the assets, liabilities, reserves and equity of specific governmental funds as of a specific date.  |
| Balanced Budget             | A budget in which estimated revenues equal estimated expenditures.   |
| Bond                        | A written promise to pay a specified sum of money on a specific date at a specified or variable stated interest rate. The most common type of bonds are general obligation and revenue bonds. Bonds are typically used as long-term debt to pay specific capital expenditures.         |
| Budget                      | A plan of financial operation embodying an estimate of proposed revenue and expenditures for a given period of time. It is the primary means by which most of the expenditures and service activities of the City are controlled.  |
| Budget Message              | A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The message should outline the proposed budget plan and its main points of interest.   |
| Bureau                      | An organizational component of the Omaha Police Department commanding Sections and Units.  |
| Capital Expenditures        | The non-recurring outlay of funds to acquire an asset having a useful life of over 15 years. Includes the cost of land, buildings, permanent improvements, and large equipment and machinery.  |
| Capital Improvement Program | A plan for capital expenditures to be incurred each year over a fixed period of years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures. |
| Contingency                 | A budgetary reserve amount set aside for emergencies of unforeseen expenditures not otherwise known at the time the budget is adopted.   |

## Glossary of Terms (Continued)

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| Current Taxes            | Taxes levied and becoming due within one year. City of Omaha taxes are levied in September and due December 31. Payment dates are 1/2 April 1 and 1/2 August 1 of the following year before the levy is considered delinquent.                             |
| Debt Service             | The City's obligation to pay the interest and repay the principal of all bonds and other debt instruments according to a pre-determined payment schedule.  |
| Department               | An organizational unit of the City which is responsible for overall management of a group of related major governmental functions, such as Police or Public Works.   |
| Division                 | A unit or organization within a department which has functional responsibility for related activities within that department. For example: Finance Administration, Budget and Accounting, Payroll and Revenue are divisions within the Finance Department. |
| Employee Compensation    | Expenditures relating to compensating City of Omaha employees, including salaries, wages, shift differential, holiday pay, longevity pay and employee benefits.  |
| Encumbrances             | The commitment of appropriated funds to purchase goods or services to be delivered or performed at a future date.  |
| Enterprise Funds         | A government accounting fund used to account for operations that are financed and operated similarly to those of a private business where the intent is that the costs of providing the goods or services are recovered through direct user charges.       |
| Equipment                | Tangible property having a useful life of more than one year but less than fifteen years used by employees in the performance of work activities.  |
| Expenditures             | The outflow of funds paid or to be paid for assets, goods, or services obtained regardless of when the expense is actually paid.   |
| Fiscal Year              | The time period designated by the City signifying the beginning and the ending period for recording financial transactions. The City of Omaha has specified the calendar year as its fiscal year.  |
| Fund                     | An accounting entity with a self-balancing set of accounts that records all financial transactions which are segregated for specific activities or for attaining certain objectives.   |
| Fund Balance             | The difference between an entity's assets and its liabilities.   |
| General Fund             | The fund used to account for all of the financial resources of the City except those required to be accounted for in another fund.   |
| General Obligation Bonds | Bonds that finance a variety of public projects such as streets, buildings, and improvements and which are backed by the full faith and credit of the City.  |
| Grant                    | A contribution or contract by a government or other organization to support a specific function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.                                      |

## Glossary of Terms (Continued)

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|----------------------|---|
| In Lieu of Taxes     | Payments made by tax exempt quasi-public entities to local government in place of property taxes.   |
| Internal Service     | A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.  |
| Liability            | Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. This term does not include encumbrances.   |
| Longevity            | Employee compensation payments made in recognition of a certain minimum number of years employed full time with the same entity.  |
| Operating Budget     | The portion of the budget that pertains to daily operations that provide basic governmental services within a set period of time. The operating budget contains appropriations for such expenditures as personnel, commodities and services.  |
| Organization         | A particular operating program assigned to a department or division. For example: Community Centers, Ice Arenas, Swimming Pools, Other Recreation Activities and Summer Youth programs are Organizations within the Recreation Division of the Parks, Recreation and Public Property Department.                      |
| Pay Range            | A numeric and alpha system developed by the Human Resources Department to identify a job classification by rate of pay and bargaining group.  |
| Performance Measures | A quantitative measure of production or outputs to be compared to the amount of inputs (dollars) for a given department, division, function or work duty.   |
| Property Tax         | Ad valorem taxes levied on both real and personal property according to the assessed valuation and the tax rate.  |
| Purchased Services   | Those services requiring labor and material from outside the entity's organizational structure to provide an end product such as: medical services, insurance coverage, electrical service and contracted repairs of buildings and equipment.   |
| Redevelopment Bonds  | Bonds that constitute a binding special limited obligation of the City authorized under the Community Development Law. The Community Development Law permits the City to levy for community redevelopment purposes a tax not to exceed 2.6 cents on each \$100 upon actual value of all taxable property in the City. |
| Reserve              | (1) An account used to earmark a portion of fund balance to indicate that it is not appropriated for expenditures at the time the budget is adopted; or (2) an account used to earmark a portion of fund equity as legally segregated for a specific future use.  |
| Revenue              | All money that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.  |

## Glossary of Terms (Concluded)

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|--------------------------|---|
| Revenue Bonds            | Bonds usually sold for constructing a project that will produce revenue for an Enterprise Fund of the government. Revenue from operation of the Enterprise Fund is used to pay the principal and interest of the bond. These bonds have limited liability and do not carry the full faith and credit of the City.   |
| Revenue Estimate         | A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically a future fiscal year.   |
| Source of Revenue        | The classification of revenues according to their source or point of origin.  |
| Special Assessment       | A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.  |
| Special Obligation Bonds | Bonds that are special limited obligations of the City authorized under the Community Development Law or the Convention Center Act. The City has pledged a variety of revenue streams including sales tax to finance the acquisition and construction of several projects within the riverfront redevelopment area. |
| Special Revenue          | A fund used to account for specific taxes and revenues mandated by law or contract for a separate accounting. These funds generally have a specific purpose such as the Keno/Lottery, Library Fines and Fees and Douglas County Supplement Funds.   |
| Tax Certification        | The legislative body (City Council) adopts a resolution certifying to the County Clerk a specified tax rate on property within the boundaries of the City.  |
| Tax Increment Financing  | A method of financing redevelopment projects which allows the property taxes produced from the incremental value of the improved property to be used to pay a portion of the development costs.   |
| Tax Levy                 | (1) To impose taxes for the support of governmental activities; and (2) the total amount of taxes imposed for operating, debt service and judgment purposes.  |
| Tax Lid                  | An act passed by the Nebraska State Legislature that places a limit on specific budgeted tax receipts. Exclusions are allowable for bonded debt requirements, property tax reimbursement, capital improvements, judgments, interlocal agreements and valuation growth.  |
| Tax Rate                 | The unit of taxation stated as a multiplier of the tax base, for example: the amount of property tax levied for each \$100 of assessed valuation, or the amount of sales tax as a percentage of sales.  |
| Tax Rate Limit           | The maximum legal rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.  |
| User Charges             | The payment of fees for direct receipt of a public service by the party benefiting from the service.  |
| Utility Occupation Tax   | A tax levied by the City on utility company revenues resulting from the sales of communications services and electricity for all purposes within the corporate limits of the City.  |