

GLOSSARY OF TERMS

The following explanations of terms are presented to aid in understanding the information contained in this budget and other financial documents issued by the City of Montclair. Most of the terms included in this glossary are taken directly from the publication Governmental Accounting, Auditing, and Financial Reporting issued by the Government Finance Officers Association; the acronym GAAFR is used to reference material so obtained.

ACCOUNTING SYSTEM. The methods and records established to identify, assemble, analyze, classify, record and report a government's transactions and to maintain accountability for the related assets and liabilities. (Source: GAAFR)

ACCRUAL BASIS. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government. (Source: GAAFR)

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds. The agency fund also is used to report the assets and liabilities of Internal Revenue Code, Section 457, deferred compensation plans. (Source: GAAFR)

APPROPRIATION. Authorization obtained from City Council to incur expenditures or expenses for specific purposes. Appropriations are usually made for fixed amounts and typically lapse at the end of the budget year.

BUDGET. A plan of financial operation for a given period of time which is comprised of authorized expenditures (appropriations) and the proposed means of financing them (estimated revenues and available reserves).

CAPITAL IMPROVEMENT BUDGET. The portion of the annual budget which includes appropriations for major infrastructure expenditures and select equipment acquisitions.

CAPITAL IMPROVEMENT PROGRAM. A five-year plan of proposed infrastructure expenditures and the proposed resources for financing them. The first year of the Capital Improvement Program is included in the preliminary budget for City Council review and approval.

CAPITAL OUTLAY. Generally understood to be any material expenditure for personal and real property. In the City's budget, however, capital outlay is used to denote expenditures for equipment which cost at least \$1,500.

CAPITAL PROJECT FUND. A fund established to account for financial resources to be used for the acquisition or construction of major capital facilities. The use of a capital project fund is especially common for major capital acquisition or construction activities financed through borrowing or contributions (Source: GAAFR)

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed. (Source: GAAFR)

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Sometimes referred to as a SINKING FUND. (Source: GAAFR)

DEFERRED REVENUE. Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, amounts that are measurable but not available are one example of deferred revenue. (Source: GAAFR)

DEFICIT. The excess of expenditures over actual revenues received during the budget year.

ENCUMBRANCE. An unexecuted purchase order or contract. Encumbrance accounting is used to assure that budgeted appropriations are not exceeded.

ENTERPRISE FUND. A fund used to account for the operations of a governmental program which are conducted in a manner similar to the private sector. Primary emphasis is given to determining net income as a basis for establishing user charges. The City uses an enterprise fund to account for its sewer maintenance program.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operation expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues. (Source: GAAFR)

EXPENSES. Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. (Source: GAAFR)

FISCAL YEAR. A twelve-month period of time which corresponds to the budget year. The City's fiscal year begins July 1 and ends June 30.

FIXED ASSETS. Tangible assets comprised of equipment, building, improvements other than buildings and land. The term is derived from the "fixed" annual depreciation expense on buildings and equipment.

FUND. A fiscal and accounting entity with a self-balancing set of accounts organized for the purpose of achieving specific objectives.

FUND BALANCE. The difference between assets and liabilities.

FUND BALANCE - RESERVED. That portion of fund balance which is either legally restricted from expenditure or is not available for expenditure.

GENERAL FUND. The general fund is used to account for the resources and expenditures of programs not required to be recorded in another fund. Typically, the general fund represents the primary operating fund of a governmental entity.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statement of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board. (Source: GAAFR)

INDIRECT STAFF CHARGES. Reimbursement of administrative costs associated with services provided to the Redevelopment Agency and the Sewer Maintenance Fund.

INFRASTRUCTURE. Generally regarded to mean real property improvements other than buildings, e.g., streets, sidewalk, water/sewer lines, etc.

INTERFUND TRANSFERS. Transfers between funds are denoted as Transfers-Ins (receiving fund) and Transfers-Outs (distributing fund) to inform the statement reader that the transactions do not represent additional revenues and expenditures to the governmental entity as a whole.

MEASUREMENT FOCUS. The accounting convention that determines (1) which assets and which liabilities are included on a government's balance sheet and where they are reported there, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or

information on the flow of economic resources (revenues and expenses). (Source: GAAFR)

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. (Source: GAAFR)

OBJECT. A term used to denote the type of expenditure incurred. The City's operating budget includes three major objects of expenditure: (1) personnel services, (2) services and supplies and (3) capital outlay.

OPERATING BUDGET. The annual budget for on-going program costs, including salaries and benefits, service and supplies, and capital outlay expenditures.

PROGRAM. Group activities, operations or organizational units directed to attaining specific purposes or objectives. (Source: GAAFR)

REVENUES. (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers from another fund are classified as "other financing sources" rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers. Also, operating transfers from another fund are classified separately from revenues. (Source: GAAFR)

SPECIAL REVENUE FUND. A fund used to account for resources which are legally restricted for specified purposes.

TAXES. Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges (e.g., sewer service charges). (Source: GAAFR)

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds. (Source: GAAFR). The City uses trust funds to earmark resources for specific purposes including funding vehicle depreciation costs and maintaining the City's infrastructure.

ACRONYMS

The following acronyms are presented to assist in understanding the information contained in this budget:

Administration

ADA	Americans with Disabilities Act
AIDS	Auto Immune Deficiency Syndrome
ASTD	American Society for Training and Development
CAC	Community Action Committee
CALPELRA	California Public Employers Labor Relations Association
CMRTA	California Municipal Revenue and Tax Association
CMTA	California Municipal Treasurers' Association
COBRA	Consolidated Omnibus Budget Reconciliation Act
CRRA	California Resource Recovery Association
CSMFO	California Society of Municipal Finance Officers
ERAF	Educational Revenue Augmentation Fund
FLSA	Fair Labor Standards Act
FMLA	Family and Medical Leave Act
GAAP	Generally Accepted Accounting Principles
GASB 34	Governmental Accounting Standards Board Statement No. 34
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HIPAA	Health Insurance Portability and Accountability Act
HTCIA	High Technology Crime Investigation Association
IAPMA	Inland Area Personnel Management Association
ICMA	International City/County Management Association
IPMA	International Personnel Management Association
MISAC	Municipal Information Systems Association of California
MMASC	Municipal Management Association of Southern California
OSHA	Occupational Safety and Health Act
PARMA	Public Agency Risk Managers Association
PEG	Public Educational and Governmental Access Channels
PERS	Public Employees Retirement System
POS	Point of Sale
RDA	City of Montclair Redevelopment Agency
SBOE	State Board of Equalization
SCAG	Southern California Association of Governments
SCAN-NATOA	States of California and Nevada Chapter-National Association of Telecommunications Officers and Advisors
SCPLRC	Southern California Public Labor Relations Committee
SCPMA	Southern California Personnel Management Association

ACRONYMS

Administration (continued)

SGVLR	San Gabriel Valley Labor Relations Committee
TBA	To be announced
URISA	Urban and Regional Information Systems Association
VoIP	Voice over Internet Protocol

Police Department

ARPOC	Annual Reserve Police Officers Conference
CAD/RMS	Computer Aided Dispatch/Records Management System
CCUG	California Law Enforcement Telecommunication System Users Group
CEB	Central Equipment Bank
CLEAR	California Law Enforcement Association of Records Supervisors
CLETS	California Law Enforcement Telecommunication System
COP	Community Oriented Policing
CPOA	California Peace Officers Association
CRA	California Rangemasters' Association
DOJ	Department of Justice
MDC	Mobile Data Computer
NACOP	National Association of Citizens on Patrol
NCI	National Crime Information Center
POST	Police Officer Standards and Training
SEMS	Security Engineered Machinery
VIP	Volunteer in Policing
WECA	West End Communication Authority
WESTNET	West End Narcotics Enforcement Team

Fire Department

ACLS	Advanced Cardiac Life Support
AED	Automatic External Defibrillator
ALS	Advanced Life Support
AQMD	Air Quality Management District
CCAI	California Conference for Arson Investigators
CFCA	California Fire Chiefs Association
CPAT	Candidate Physical Ability Test
CSTI	California Specialized Training Institute
EMA	Emergency Management Assistance
EMPG	Emergency Management Performance Grant
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center

ACRONYMS

Fire Department (continued)

FEMA	Federal Emergency Management Agency
ICEMA	Inland Counties Emergency Medical Agency
MRE	Meals Ready to Eat
NFPA	National Fire Protection Association
OIA	Ontario International Airport
OSHA	Occupational Safety and Health Act
PALS	Pediatric Advanced Life Support
QA/AI	Quality Assurance/Quality Improvement
SCACEO	Southern California Association of Code Enforcement Officials
USAR	Urban Search and Rescue

Public Works

ASCE	American Society of Civil Engineers
CNG	Compressed Natural Gas
CPR	Cardiopulmonary Resuscitation
DBE	Disadvantaged Business Enterprise
LED	Light Emitting Diode
MSDS	Material Safety Data Sheet
NPDES	National Pollutant Discharge Elimination System
PAPA	Pesticide Applicators Professional Association
RCRA	Resource Conservation and Recovery Act
RSES	Refrigeration Service Engineers Society
SANBAG	San Bernardino Associated Governments
SCAQMD	South Coast Air Quality Management District
USA	Underground Service Alert

Community Development

CALBO	California Building Officials
CalSAC	California School-Age Consortium
CPRS	California Parks and Recreation Society
ESRI	Environmental Systems Research Institute
IAPMO	International Association of Plumbing and Mechanical Officials
ICBO	International Conference of Building Officials
LAFCO	Local Agency Formation Commission
NAEYC	National Association for Education of Young Children
SAMS	Senior Assistance Management System
SCMAF	Southern California Municipal Athletic Federation