

Appendix G Glossary of Terms

- Accrual Accounting** – The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, except for revenues from land disposals, which are recognized on the installment method. Expenses are recognized when they are incurred. See “Basis of Accounting.”
- ACCRA** - American Chamber of Commerce Researchers Association
- ADA** - Americans with Disabilities Act
- ADFG** - Alaska Division of Fish & Game
- ADOE** - Alaska Division of Forestry
- ADOT** - Alaska Department of Transportation
- APEA** - Alaska Public Employees Association
- Ad Valorem Tax** - A tax based on value. Property taxes in the Borough are an ad valorem tax. Taxpayers pay a set rate per dollar of assessed value of taxable property.
- Aid for School Construction** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Construction revenue section of the Budget.
- AK DOT/PF** - Alaska Department of Transportation/Public Facilities
- AK DCED** - Alaska Department of Community and Economic Development
- AK DEED** - Alaska Department of Education and Early Development
- Alaska State Housing** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Housing Revenue Section of the Budget.
- Alcoholic Beverage Sales Tax** - The Borough voters approved the levy of a 5% Alcoholic Beverage Sales Tax October 2003. The tax was implemented July 1, 2004. It is the intent of the Borough to exempt from taxation those sales that are subject to a similar tax that is levied by a different jurisdiction within the Borough. The City of Fairbanks levies a 5% tax; therefore, the Borough will only collect taxes outside the City of Fairbanks. As the City of North Pole levies a 3% sales tax, the Borough would collect an additional 2% sales tax on alcoholic beverage sales within North Pole’s boundaries.
- Appropriation** - An authorization by the Assembly to make expenditures. The Assembly makes appropriations in the operating budget for each department. Operating appropriations lapse at the end of the fiscal year. Capital appropriations normally do not lapse.
- Approved Budget** - A budget that is presented as originally approved by the Fairbanks North Star Borough Assembly.
- ARDOR** - Alaska Regional Development Organization
- Areawide** - Encompassing the entire area within the boundaries of the Borough.
- Assessed Valuation** - The value of real estate and other taxable property established by the Borough as a basis for levying taxes. By state law, all taxable property must be assessed annually at 100% of market value.
- BAC** - Borough Administrative Center
- Balanced Budget** - A budget in which sufficient revenues must be available to fund anticipated expenditures.
- Basis of Accounting** - Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the financial records of the Borough. See “Modified Accrual,” “Accrual,” and “Encumbrances.”
- Basis of Budgeting** - For the governmental funds, the Borough recognizes revenues and expenditures for budgetary purposes on a basis most similar to the modified accrual basis of accounting as described in the **Basis of Accounting** definition as well as the explanation in the **Readers’ Guide**. The proprietary funds (enterprise and internal service), however, use a budgetary basis very different from their accounting basis. Only one budgetary basis is used for the entire Borough. Therefore, the budgetary basis of the proprietary funds is the same as for the governmental funds. There are three primary differences between the modified accrual basis of accounting and the budgetary basis used by the Borough: encumbrances, intragovernmental cost allocations (IGCP), and employee annual leave. Please see **Basis of Budgeting** in the **Readers’ Guide** for a further explanation of these differences.
- Boards** - Established by the FNSB Code of Ordinances to advise and direct various activities of local government, appointments are made by the Mayor and confirmed by the Borough Assembly.
- Board of Equalization** - An official board of the Fairbanks North Star Borough that holds annual hearings for the purpose of settling disputes regarding the assessed value of property within the Borough.
- Budget Year** - The fiscal year of the approved budget. For example, 2001 is the current year; FY 2002 is the budget year.
- CAC** - Carlson Community Activity Center
- CAFR** - Comprehensive Annual Financial Report
- CIP** - Capital Improvement Projects
- CLE** - Continuing Legal Education
- CLRA** - Chena Lakes Recreation Area
- C.O.** - Code of Ordinance
- COLA** - (Cost of Living Adjustment) - Percentage increase of salaries or wages based on the Anchorage Consumer Price Index for the previous year.
- CPI** - Consumer Price Index
- CPSC** - Consumer Products Safety Commission
- CY** - Calendar Year
- Capital Expenditure** – An appropriation for an item of unexpended future benefit that crosses fiscal years.
- Capital Improvement Budget** - A permanent addition to the Borough’s assets. Costs related to such projects include engineering studies, land acquisition, construction, renovation, demolition, equipment, and furnishings.

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Capital Outlay – Items in a Capital Outlay category, in a department's operating budget, are those that cost between \$750 and \$20,000. Items below \$750 belong in the Commodities category. Those costs associated with the acquisition and construction of a Borough capital asset exceeding \$20,000 must be budgeted in the Multi-Year Projects budget. This includes those items also exceeding \$20,000 and with appropriations crossing fiscal years.

Charges for Service - (Also called User Charges or Fees)
The charge for goods or services provided by local government to those private individuals who receive the service. Such charges reduce the reliance on property tax funding.

Child Care Administration - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.

Child Care, Special Revenue Fund - See the Special Revenue Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.

Commissions - Established by the FNSB Code of Ordinances to advise and direct various activities of local government, appoints. Appointments are made by the Mayor and confirmed by the Borough Assembly.

Commodities Category – Those items in department budgets that have a value less than \$750 or have a useful life of less than two years. These items include office supplies, computer supplies, operating supplies, books and periodicals, repair and maintenance supplies, clothing and personal supplies, motor fuels and lubricants, and equipment parts.

Community Activity Center Enterprise Fund - See the Enterprise Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.

Contractual Service - A service rendered to the Borough by private firms, individuals, or other Borough departments on a contract basis.

Contribution to Non-Operating Fund - Contributions from operating funds to non-operating funds such as Agency, Special Revenue, or Multi-Year Projects, that are not otherwise specifically identified.

Controlled Assets – Falling under the Capital Outlay category in a department's budget, these are tangible, taggable fixed assets costing at least \$750 but less than \$5,000 and have a useful life of at least two years. Examples include: chairs computers, fire equipment, grounds-keeping equipment, addition or renovation to an existing structure occurring within the appropriation year etc/

DEC - Department of Environmental Conservation

DOE - Department of Education

DOT - Department of Transportation

Debt Service - Payment of interest and principal related to long-term debt.

Debt Service Fund - See the Special Revenue Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.

Delinquency Rate - The estimated percentage (%) of property taxes levied in the budget year which will be collected in future years.

Education - See the School District description provided in the Funds Description portion (first two pages) of the Budget by Funds section of the Budget.

Education (expenditure) - The annual contribution from the Fairbanks North Star Borough to the Fairbanks North Star Borough School District. This is the local funding (from property taxes) of the FNSB School District's Operating Budget.

EMS - Emergency Medical Services

Emergency Operations Department - Created in FY 2001 incorporating emergency response oriented divisions.

Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized as an extension of formal budgetary control. For accounting purposes, outstanding encumbrances at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

Enhanced 911 Fund - See the Special Revenue Funds description provided in the Funds Description portion (first two pages) of the Budget by Funds section of the Budget.

Enterprise Funds - These funds account for the financing of self-supporting activities that provide services on a user charge basis to the general public and reflect operations that are generally financed and operated in a manner similar to private businesses.

ERP - Enterprise Resource Planning

Expenditures - General government expenditures include salaries, wages, supplies, contracts, debt service, purchases of machinery and equipment.

FAIRNET - Fairbanks Area Information Resource Network

FEMA - Federal Emergency Management Agency

FHWA - Federal Highway Act

FMATS - Fairbanks Metropolitan Area Transportation Study

FNSB - Fairbanks North Star Borough

FSA - Fire Service Area

FTA - Federal Transit Administration

FTE - Full Time Equivalent

FY - Fiscal Year

Fiscal Year - An accounting term for the budget year. The fiscal year of the Borough is July 1 through June 30.

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Fund - An accounting entity designed to isolate the expenses and revenues of a particular program or service. Funds are classified according to type: general, enterprise, debt service, etc. The expenses and revenues are accounted for according to generally accepted accounting principles. Each service area established in a Borough is assigned a unique fund number and title.

Fund Balance - A reserve that should equal to approximately 7-10% of the appropriation for each of the larger funds and 20% of the smaller funds. This protects against shortfalls in revenue collection, allows adequate cash flow management, and provides the financial ability to meet emergencies.

GAAP - Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board

GASB 34 - A recently issued Statement from the Governmental Accounting Standards Board that defines a new financial reporting model which governments must use to prepare its annual financial report.

GFA - General Fixed Asset

GFOA - Government Finance Officers Association

GIS - Geographical Information System

General Fund - See the General Fund description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.

Hotel Motel Tax - 8% tax on hotel/motel occupancy levied areawide - with provision that any other jurisdictions levy is deducted and balance remitted to the Borough. Approved by areawide vote in October 1992 and became effective January 1, 1993.

IAAM - International Association of Auditorium Managers

IFAS - Interactive Fund Accounting System

IFB - Invitation for Bid

IGCP - Intragovernmental Cost Plan

ISVP - Information Standards Verification Process

Interfund Charges - Reimbursement for services that are paid for out of one fund but benefit the programs in another fund.

Intragovernmental Charges - Same as Interfund Charges.

LAN - Local Area Network

Land Management Enterprise Fund - See the Enterprise Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.

Local Boundary Commission - State board originated in the Constitution, that was created to ensure that arguments for and against proposals to create or alter municipal governments would be analyzed objectively, taking areawide and statewide needs into consideration.

MACS - Metropolitan Area Commuter System

MSRC - Mary Siah Recreation Center

Mandatory Exempts - Property Tax exemptions that are required by Alaska State Statute.

Metropolitan Planning Organization (MPO). The U.S. Census Bureau, due to population increase, designated portions of the Borough and outlining areas as a MPO. This designation allows representatives from the Borough, City of Fairbanks, and North Pole to participate in the designation of Borough-related transportation projects. Prior to this MPO designation, the choice of projects was left solely to the discretion of the State of Alaska Department of Transportation.

Mill Levy or Mill Rate - A rate of tax to be assessed on all taxable property. Mill rates are expressed in terms of \$1 of tax per \$1,000 of assessed value. Mill levy is computed as follows: $\text{property tax required} \div \text{total assessed value of taxable property} \times 1,000 = \text{mill levy}$.

Modified Accrual - All governmental funds and fiduciary funds of the Borough are accounted for using the modified accrual basis of accounting with revenues recognized when they become measurable. A revenue is "measurable" when the amount of the transaction can be reasonably determined. Property tax revenues are accounted for (accrued) when they are levied and available to finance expenditures of the current period. Hotel-motel room taxes are accounted for (accrued) in the period they are both due and collected. Delinquent sales tax revenues are accrued when collected. Certain grant revenues are dependent upon expenditures, and revenues from these grants are recognized when the expenditures are made; revenues from other grants are recognized on the cash basis. Charges for services and miscellaneous revenues are recognized on the cash basis. Interest income is accrued when earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due. Annual leave is accrued as it is earned and is budgeted for on a current basis.

Multi-Year Projects - The Multi-Year Projects section defines all projects that are over \$20,000 and have a useful life over five years and non-capital projects and programs that cross fiscal years. These projects are further defined by the contribution from specific funds and the appropriation to appropriate the funds. Not included in this section are items less than \$20,000 but greater than \$5,000 (considered Capital Outlay) and items less than \$5,000 but more than \$750 (considered Controlled Assets under the Capital Outlay). Vehicles, trailers, or major heavy piece of light duty motorized equipment are defined in the Vehicle Equipment Fleet Fund List of Vehicles and Equipment to be Replaced in 2005.

Municipal Assistance - The Municipal Assistance Program name was changed to Safe Communities Program in FY 1998. See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.

Non-Areawide Fund - See the Special Revenue Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.

Non-Departmental - An expenditure that is not specifically attributed to any of the existing Borough departments.

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- Operating Budget** - Revenues and Expenditures required to run the overall operations of the Borough for the next fiscal cycle (12 months).
- Operating Transfer** - When the General Fund makes a contribution to another fund, it becomes a revenue to the receiving fund.
- Other State Revenue** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.
- PERS** – Alaska Public Employees' Retirement System.
- PL** - Public Law
- Program Revenue** - Revenues earned by a program, including fees for service, license, permit fees, fines, etc.
- Property Tax** - Total amount of revenue to be raised by levying taxes on real and personal property. Property tax is computed as follows: Net program costs for all budget units in a particular fund - (minus) allocated revenues assigned to the fund and fund balance = (equals) property tax required for the fund to balance.
- Property Tax Cap** - The limitation in the Budget Year of the amount of property taxes that may be levied in a taxing jurisdiction. This was a voter-approved initiative in years 1987 and 1989. In 1996, voters approved a change in the maximum tax calculation to include all tax revenues.
- Property Tax Exemption** - State mandated exemptions for senior citizens, disabled veterans, and widow/widowers.
- RFP** - Request for Proposal
- RSA** - Road Service Area
- Recommended Budget** - A budget that is prepared by the Mayor for presentation to the Assembly.
- Residential Exemption** - The Fairbanks North Star Borough allows its residents, whom pay their property taxes on a current basis, to apply for an exemption of \$10,000 or 20% of the assessed value for their primary residence.
- Resources** - The personnel and financial requirements of each program. Personnel resources are stated in terms of full-time, part-time, and temporary positions. Financial resources are stated in terms of five major expense categories (personnel services, commodities, other contractual services, capital outlay, and interfund charges).
- Revised Budget** - A budget that represents the original approved budget with supplemental appropriations and budget transfers (departmental requests for budget modifications). Revised budget in this presentation is as of December 31, 2001.
- SLED** - Statewide Library Electronic Doorway
- Safe Communities Program** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.
- Service Area** - A legal entity that funds particular governmental services. Service areas are created, altered, or abolished only with approval of a majority of those voting on the question within the affected area. The services are financed only from taxes on property within the area (after all revenue sources are applied). There are certain area wide services that are provided to, and paid for by, taxpayers throughout the Borough. Other services are limited to smaller geographic areas or service areas.
- Solid Waste Collection District Fund** - .See the Special Revenue Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.
- Solid Waste Disposal Fund** - See the Enterprise Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.
- State Contracts** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.
- State Shared Revenue** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.
- Tax Levy** - The total amount of revenue to be raised by general property taxes.
- Tax Requirement** - The amount of property tax allowed and necessary to fund the budget.
- Tax-Supported** - A term used to indicate programs or funds that depend, to some degree, on property taxes as a source of revenue. Those that are not tax-supported earn sufficient program revenues, allocated revenues, and/or intragovernmental charge revenues to balance their budgets.
- Telephone & Electricity Co-op** - See the State Revenue portion of the Revenue Descriptions and Assumptions found in the Revenue section of the Budget.
- Tobacco Distribution Excise Tax** - In April 2004, the Borough Assembly approved the levy of an 8% Tobacco Distribution Excise Tax. The tax will be implemented on July 1, 2004. It is the intent of the Borough Assembly that the revenue received from an areawide Tobacco Distribution Excise Tax will reduce the assessed tax revenue derived from real property taxes thereby contributing to a diversified tax base.
- Transportation Enterprise Fund** - See the Enterprise Funds description provided in the Fund Descriptions portion (first two pages) of the Budget by Funds section of the Budget.
- TRS** – Alaska Teachers' Retirement System.
- UMTA** - Urban Mass Transportation Act.
- Vehicle Equipment Fleet Fund Program** - Established in FY 2001, this fund was set up as an internal service fund to provide for the pooling of borough vehicle and equipment assets and established a systematic purchase and replacement program for the borough's assets. See Transportation.
- WAN** - Wide Area Network
- Westlaw** - Online service used by the Department of Law that provides access to legal databases and services.