

## **Glossary of Terms**

**Accrual-** accounting method in which expenditures and revenues are recorded at the time that they are incurred, regardless of whether the cash has actually been transferred at that time.

**Annual Budget-** a budget applicable to a single fiscal year.

**Appropriation-** a legal authorization granted by a legislative body (the Town Council, for example) to make expenditures and incur obligations for specific purposes. All General Fund appropriations expire at the end of the fiscal year. All non-budgetary or special purpose funds, including all capital projects, expire after three years or after their purpose has been accomplished.

**Assessed Value-** the value placed on property for the purpose of distributing tax burden. In Plainville, assessed valuation is 70% of the fair market value of both real (land and buildings) and personal property, as determined by the Plainville Assessor's Office.

**Assets-** property with economic value owned by an entity

**Balanced Budget-** a budget wherein the revenues plus any funds transferred in equals the expenditures minus any transfers out, for any given fiscal year.

**Basis of Accounting-** the procedures that record, classify, and report on the finances and operations of a business, government, individual, or other entity. In Plainville, modified accrual is the basis of accounting (*see modified accrual*).

**Bond-** a contract to pay a specified sum of money (the principal) at a specified future date (maturity) plus interest paid at an agreed percentage of the principal.

**Bond Anticipation Notes (BAN)** – short term financing less than one (1) year.

**Budget-** a financial plan, including proposed expenditures and estimated revenues, for a period in the future.

**Comprehensive Annual Financial Report (CAFR)** – the annual financial report prepared by the Town and audited by independent, external auditors

**CaLAnDer-** scheduling tool used by Town of Plainville employees.

**Capital Budget-** a plan for investment in capital assets separate from the operating budget.

**Capital Expenditures-** funds spent on a capital improvement project or piece of equipment costing less than \$50,000 and/or having a life expectancy of less than five years

**Fund Balance-** the amount of cash currently in the General Fund, minus any outstanding checks and encumbrances against the account.

**General Fund-** consists of accounts for receipts not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of these monies.

**General Obligation Debt-** long term full faith and credit obligations other than those payable initially from non-tax revenue. Includes debt payable in the first instance from particular earmarked taxes.

**Governmental Funds-** moneys belonging to government, or any department of it, in hands of a public official.

**Grand List-** the compilation, by value, of all taxable and tax exempt properties in the Town of Plainville.

**Grant-** an assistance award in which substantial involvement is not anticipated between the granting entity and the recipient entity during the performance of the contemplated activity.

**Liquidity-** the ease with which an asset can be converted to money.

**LoCIP-** Local Capital Improvement Program; a state grant awarded for the purpose of assisting a municipality with the cost of a State-approved capital project.

**Long Term Debt-** debt payable more than a year after the date of issue.

**Mill-** one tenth of a cent.

**Mill Rate-** the tax rate expressed as a monetary unit. Taxes levied are equal to the mill rate times the assessed value of property.

**Modified Accrual System-** accounting basis that records revenues when they are earned (whether or not cash is received then) and expenditures when goods and services are received (whether or not cash payments are made then).

**Moody's Investors Service-** Moody's Investors Service is among the world's most respected, widely utilized sources for credit ratings, research and risk analysis.

**Object Codes-** a uniform classification identifying the transactions of the government by the nature of the goods or services purchased, without regard to the agency involved or the purpose of the programs for which they are used.

**Obligations-** binding agreements that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

## **Acronyms Listing**

**BAN** – Bond Anticipation Notes

**BESB** - Board of Education and Services for the Blind

**CAFR** – Comprehensive Annual Financial Report

**CCRPA** - Central Connecticut Regional Planning Agency

**CERC** - Connecticut Economic Resource Center

**CROG** - Capitol Region of Government

**GAAP** - Generally Accepted Accounting Principles

**GASB** - Governmental Accounting Standards Board

**GENOB** – General Obligation Bonds

**GFOA** - Government Finance Officers Association

**ISO** - International Organization for Standardization

**N/A** - Not available or applicable

**NFPA** - National Fire Protection Association

**OSHA** - Occupational Safety and Health Administration

**SCBA** - Self Contained Breathing Apparatus