



Glossary



The Town's Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the user in understanding these terms, a glossary has been included.

ACCRUAL BASIS OF ACCOUNTING

The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

APPROPRIATION

An authorization made by the Town Council which permits the Town to incur obligations and to make expenditures of resources.

APPROPRIATION ORDINANCE

The official enactment by the Town Council to establish legal authority for Town officials to obligate and expend resources.

AUDIT

A comprehensive investigation of the manner in which the government's resources were actually 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.

BALANCED BUDGET

A budget wherein the sum of estimated net revenues and appropriated fund balances equals appropriated expenditures.

BUDGET

A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures with various municipal services.

BUDGET DOCUMENT

The official published statement prepared by the Finance Department that includes all budget information as approved by Town Council. It is distributed to the press and the public following Town Council approval.

BUDGETARY BASIS OF ACCOUNTING

The basis of accounting used to prepare the budget. This basis differs from a GAAP basis in the Town's Enterprise Funds, primarily in how debt obligation principal payments, capital expenditures and depreciation are budgeted.

BUDGETARY CONTROLS

The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CAPITAL ASSETS

In the Town of Frisco, assets with a value greater than \$5,000 and a useful life of two years.

CAPITAL PROJECTS

Projects which purchase or construct capital assets, i.e. purchase of land and/or the construction of a building or facility; any engineering study or master plan needed for the implementation of a capital project; any major repair, renovation or replacement that extends the useful operational life by at least five years or expands capacity of an existing facility.

CAPITAL IMPROVEMENT FUND

An account established to account for the purchase or construction of major capital facilities that are not financed by proprietary funds.

CASH ACCOUNTING

A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

CERTIFICATES OF PARTICIPATION

An obligation that is backed by a proportionate share in the lease payments being made by the government. A COP transaction is a form of lease obligation in which a government enters into an agreement to pay a fixed amount annually to a third party, the lessor, in exchange for occupancy or use of a facility or equipment.

CONSERVATION TRUST FUND

A fund established pursuant to State law to account for receipt and disbursement of lottery funds. Use of proceeds is restricted to maintenance, acquisition or construction of recreation facilities, park facilities or open space.

CONTINGENCY ACCOUNT

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

DEBT SERVICE

The Town's obligation to pay the principal and interest of debt instruments according to a pre-determined payment schedule.

DEPARTMENT

A major administrative division of the Town which has overall management responsibility for an operation or a group of related operations within a functional area.

DEPRECIATION

The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced.

EMERGENCY RESERVES

As defined in Colorado State Statutes in Article X, Section 20, "to use for declared emergencies only, each district shall reserve 3% or more of its fiscal year spending excluding bonded debt service."

ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

ENTERPRISE FUND

An account established to finance and account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supported by user charges. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collections. The Town of Frisco's Enterprise Funds include the Water and Marina Funds.

EXPENDITURES

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered, whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FIXED ASSETS

The Town of Frisco considers items which cost more than \$5,000 with a useful life of greater than 5 years to be fixed assets.

FUND

An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Commonly used funds in public accounting are: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds, Internal Service Funds, and Special Assessment Funds.

FUND BALANCE

Fund balance is the excess of assets over liabilities. A negative fund balance is sometimes called a deficit.

GAAP BASIS OF ACCOUNTING

Generally Accepted Accounting Principals (GAAP) basis as primarily defined by the Government Accounting Standards Council (GASB).

GENERAL FUND

The General Fund is established to account for the revenues and expenditures necessary to carry out basic governmental activities of the Town such as public safety, recreation, planning, legal services, administrative services, etc., which are not 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; the repayment of these bonds is usually made from the General Fund. These bonds are backed by the full faith and credit of the issuing government.

INTERFUND TRANSFERS

Amounts transferred from one fund to another.

INTERGOVERNMENTAL REVENUE

Revenue received from another government for a specified purpose.

LEVELS OF SERVICE

Standards for levels of service per unit of demand for capital facilities used to calculate the total amount of public service that will be required for the quantity of demand.

LONG TERM DEBT

Debt with a maturity of more than one year after the date of issuance.

LODGING TAX

A 2.35% tax that is collected on short-term (less than 30 days) rental of a hotel, motel or any residential property. This tax is in addition to the Town's 2% sales tax.

LODGING TAX FUND

A fund to account for the Town's 2.35% lodging tax. The proportion of revenue to be allocated to uses of these proceeds is determined by Council.

MAJOR FUND

Major funds represent the significant activities of the Town and basically include any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

MILL

The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of property valuation.

MODIFIED ACCRUAL ACCOUNTING

A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and "available for expenditure." Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

REVENUE

Funds 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.

SOURCE OF REVENUE

Revenues are classified according to their source or point of origin.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments, pension trusts, proprietary fund operations and revenues received for major capital projects) that are legally restricted for specified purposes.

ACRONYMNS

CDD	Community Development Department
CDOT	Colorado Department of Transportation
CIF	Capital Improvement Fund
CTF	Conservation Trust Fund
DOLA	Department of Local Affairs (State of Colorado)
EQR	Equivalent Residential Unit
ES2	Environmental Sustainability and Stewardship Framework Plan
FHPM	Frisco Historic Park and Museum
FTE	Full Time Equivalent
GEO	Governor's Energy Office
GF	General Fund
GOCO	Great Outdoors Colorado
IRF	Insurance Reserve Fund
LTF	Lodging Tax Fund
MF	Marina Fund
MSEC	Mountain States Employers Council
NPE	Non-personnel Expenditure
OSF	Open Space Fund
PD	Police Department
PE	Personnel Expenditure
PRA	Peninsula Recreation Area
PW	Public Works
REIF	Real Estate Investment Fee
SCHA	Summit Combined Housing Authority
WF	Water Fund