



# **Appendix**

## **Fiscal Year 2009-2010**

## **GLOSSARY**

### **ACCOUNTING SYSTEM**

The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

### **ACCOUNTS PAYABLE**

Amounts owing to private persons, firms, or corporations for goods and services received.

### **ACCOUNTS RECEIVABLE**

Amounts owing from private persons, firms, or corporations for goods and services furnished.

### **ACCRUAL**

Transactions and events are recognized as revenues/gains or expenses/losses when they occur, regardless of the timing of the related cash flows.

### **ADOPTION**

Formal action by the City Council that sets the spending path for the fiscal year.

### **ALLOCATION**

The practice of spreading costs among various cost centers on some predetermined reasonable basis (e.g., percentages) as opposed to distribution of expenses on a unit charge or direct identification basis.

### **ACTIVITY**

A specific unit of work or service performed.

### **APPROPRIATION**

An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

### **APPROPRIATION ORDINANCE**

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

### **ASSESSED VALUATION**

The estimated value placed upon real and personal property by the County Assessor as the basis for levying property taxes.

### **ASSETS**

The entries on a balance sheet showing all properties and claims against others that may be used directly or indirectly to cover liabilities.

### **AUDIT**

A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- Ascertain whether financial statements fairly present financial positions and results of operations;
- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures;
- Ascertain whether transactions have been recorded accurately and consistently; and
- Ascertain the managerial conduct of officials responsible for governmental resources.

### **BALANCE SHEET**

A statement purporting to present the financial position of an entity by disclosing its assets, liabilities, and fund equities as of a specific date. Under varying circumstances, assets are carried at "lower of cost or market", "cost less allowance for depreciation", etc.

### **BOND (Debt Instrument)**

A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

### **BUDGET (Operating)**

A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

## **GLOSSARY**

### ***BUDGET CALENDAR***

The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

### ***BUDGET MESSAGE (City Manager's)***

A general discussion of the proposed budget presented in writing as a part of, or supplement to, the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

### ***CAPITAL ASSETS***

Assets of significant value and having a useful life of more than one year. Capital assets are also called fixed assets.

### ***CAPITAL BUDGET***

A plan of proposed capital expenditures and the means of financing them. The capital budget is enacted as part of the City's consolidated budget which includes both operating and capital outlays, and is based on a capital improvement program (CIP).

### ***CAPITAL IMPROVEMENT PROGRAM (CIP)***

A plan for capital expenditures to be incurred each year over a period of ten future years setting forth each capital project, the amount to be expended in each year, and the method of financing those expenditures.

### ***CAPITAL OUTLAYS***

Expenditures for the acquisitions of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling, and stationary equipment.

### ***CAPITAL PROJECTS***

Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

### ***CAPITAL PROJECTS FUND***

Used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

### ***CERTIFICATE OF DEPOSIT***

A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period and rate of interest.

### ***COMMODITIES***

Items of expenditure (in the operating budget) which after use, are consumed or show a material change in their physical condition, and which are generally of limited value and are characterized by rapid depreciation, i.e. office supplies and motor fuel.

### ***CONTINGENCY***

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

### ***CONTRACTUAL SERVICES***

Items of expenditure for services the City receives from an internal service fund or an outside company. Utilities, rent and maintenance service agreements are examples of contractual services.

### ***CONSUMER PRICE INDEX (CPI):***

A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

### ***DEBT SERVICE***

Payment of interest and repayment of principal to holders of the City's debt instruments.

### ***DEBT SERVICE FUND***

Used to account for the accumulation of resources for, and payment of, general long-term debt.

### ***DEFICIT***

- The excess of entity's liabilities over its assets (See Fund Balance).
- The excess of expenditures or expenses over revenues during a single accounting period.

### ***DEPARTMENT***

An organizational unit comprised of one or more divisions.

***DEPRECIATION*** Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

- That portion of the cost of a capital asset, which is charged as an expense during a particular period.

## **GLOSSARY**

### ***DEBT RATIO***

A ratio that indicates the proportion of debt compared to assets, calculated by dividing total debt by total assets.

### ***DIVISION***

A program or activity, within a department, that furthers the objectives of the City Council by providing services or products.

### ***ENCUMBRANCES***

Obligations in the form of purchase orders or contract commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

### ***ENTERPRISE FUND***

Separate financial accounting used for government operations that are financed and operated in a manner similar to business enterprises, and where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges, or where the governing body had decided that periodic determination of net income is appropriate for capital maintenance, public policy, management control, or other purposes (i.e. utilities and transit systems).

### ***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.

### ***FISCAL YEAR***

The City's fiscal year is based on the twelve-month period beginning July 1st and ending the following June 30th.

### ***FIXED CHARGES***

Items of expenditure for services rendered by internal operations of the City. Examples include: rental equipment, computer services, building rental, indirect operating expenses, and depreciation.

### ***FRINGE BENEFITS***

Included are employee retirement, social security, Medicare, health, dental, life insurance, workers' compensation, uniforms, and deferred compensation plans.

### ***FULL FAITH AND CREDIT***

A pledge of the City's taxing power to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

### ***FUND***

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

### ***FUND BALANCE***

The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

### ***GENERAL FUND***

The fund supported by taxes, fees and other revenues that may be used for any lawful purpose. The general fund accounts for all financial resources except those required to be accounted for in another fund.

### ***GENERAL OBLIGATION BONDS***

When the City pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to bonds, which are to be repaid from taxes and other general revenues. In California, G.O. bonds must be authorized by public referenda with two-thirds voter approval.

### ***INTERGOVERNMENTAL GRANT***

A contribution of assets (usually cash) by one governmental unit or organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

### ***INTERNAL SERVICE FUND***

Funds used to account for the financing of goods or services provided by one department or agency to another department or agency within the same organization.

### ***INVESTMENT***

## **GLOSSARY**

Securities and real estate purchased and held for the production of income in the form of interest, dividends, rental or base payments.

### ***LIABILITY***

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date; financial obligations entered in the balance sheet. NOTE: The term does not include encumbrances.

### ***MATURITIES***

The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

### ***MODIFIED ACCRUAL***

Revenues are recognized when measurable and available to liquidate liabilities of the current period. Expenditures are recognized when an event or transaction is expected to draw on current or available resources.

### ***MUNICIPAL CODE***

A book containing City Council Approved Ordinances currently in effect. The Code defines City Policy in various categories (i.e., building regulations, planning and zoning regulations, sanitation and health standards, and traffic regulations).

### ***OBJECT OF EXPENDITURE***

Expenditure classifications based upon the types of categories of goods and services purchased. Examples include:

- personnel services (salaries and wages)
- contractual services (utilities, maintenance contracts, travel)
- commodities
- fixed charges (rental of City equipment, City building rental)
- capital outlays

### ***OBJECTIVES***

Departmental statements describing significant activities to be accomplished during the fiscal year.

### ***OPERATING FUNDS***

Resources derived from recurring sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

### ***ORDINANCE***

A formal legislative enactment by the governing board (City Council) of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

### ***PERFORMANCE MEASURES***

Specific quantitative measures of work performed within an activity or program (e.g., total miles of streets cleaned). A specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program).

### ***PERSONNEL SERVICES***

Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, the incident fringe benefit cost associated with City employment, and amounts paid to outside firms, consultants, or individuals for contract personnel services.

### ***PROGRAM***

An activity, or division, within a department, which furthers the objectives of the City Council, by providing services or a product.

### ***RATING***

The credit worthiness of a City as evaluated by independent agencies.

### ***REIMBURSEMENTS***

Payments remitted by another agency, department, or fund to help defray the costs of a particular service or activity for which some benefit was obtained by the reimbursing party. These amounts are recorded as expenditures, or expenses in the reimbursing fund and as a reduction of expenditures, or expenses, in the fund that is reimbursed.

### ***RESERVE***

An account used to indicate that a portion of fund equity is legally restricted for a specific purpose, or set aside for emergencies or unforeseen expenditures not otherwise budgeted for. Reserve accounts can also be used to earmark a portion of fund balance to indicate that it is not appropriate for expenditures.

### ***RESOLUTION***

A special order of the City Council which requires less legal formality than an Ordinance in terms of public notice and the number of public readings prior to approval. A Resolution has lower legal standing than

## **GLOSSARY**

an Ordinance. The adopted operating budget is approved by Resolution and requires a majority vote of the Council members present at the time of adoption.

### **RESOURCES**

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

### **REVENUE**

The term designates an increase to a fund's assets which:

- does not increase a liability (e.g., proceeds from a loan);
- does not represent a repayment of an expenditure already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in contributed capital.

### **REVENUE BONDS**

When a government issues bonds, which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one specific revenue source to repay these bonds. In addition to a pledge of revenues, such bonds sometimes may be secured by a lien against property.

### **REVENUE ESTIMATES**

A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

### **REVOLVING ACCOUNT**

A reserve account that is funded by the amortization of a capital asset value charged annually to the user department with the accumulated funds used to replace the asset when it has reached the end of its normal life cycle.

### **SALARIES AND BENEFITS**

An operating budget category which generally accounts for full-time and part-time salaries, overtime costs, and fringe benefits.

### **SOURCE OF REVENUE**

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

### **SPECIAL REVENUE FUND**

Used to account for the proceeds of special revenue sources that are

restricted by law (or administrative action) to expenditures for specific purposes.

### **SUPPLIES AND SERVICES**

This budget category accounts for all nonpersonnel, and noncapital outlay expenses (i.e., building/structure maintenance, contractual services, equipment maintenance, office supplies, small tool purchases, and utility costs).

### **TAXES**

Compulsory charges levied by a government for the purpose of financing 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 this term include charges for services rendered only to those paying such charges.

### **TRIPLE-FLIP**

The revenue formula the State of California imposed on local government. The formula modifies (flips) the rate of distribution of three (triple) revenue sources that are passed through and distributed by the State: property tax, sales tax and motor vehicle-in-lieu fees.

### **TRANSFERS IN/OUT**

Payments from one fund to another fund, primarily for work or services provided.

### **TRUST AND AGENCY FUND**

A type of fund that temporarily holds monies for other agencies or legal entities.

### **UNIT COST**

The cost required to produce a specific product or unit of service (e.g., the cost to purify one thousand gallons of water).

### **USER CHARGES (also known as USER FEES)**

The payment of a fee for direct receipt of a public service by the party benefiting from the service.

### **YIELD**

The rate earned on an investment based on the price paid.

## ABBREVIATIONS AND ACRONYMS

<b>AB</b>	Assembly Bill	<b>CLETEP</b>	California Law Enforcement Technology Equipment Program
<b>ABC</b>	Alcoholic Beverage Control	<b>CO</b>	Company
<b>ADA</b>	American Disabilities Act	<b>CO-ED</b>	Co-educational
<b>ADCRC</b>	Alzheimers Day Care Resource Center	<b>C of O</b>	Certificate of Occupancy
<b>AMBAC</b>	American Municipal Bond Assurance Corporation	<b>COLA</b>	Cost of Living Adjustment
<b>AQMD</b>	Air Quality Management District	<b>COPS</b>	Citizen Option for Public Safety
<b>ASST</b>	Assistant	<b>CORP</b>	Corporation
<b>ATF</b>	Alcohol Tobacco and Firearms, US Bureau of	<b>CPI</b>	Consumer Price Index
<b>ATM</b>	Automated Teller Machine	<b>CSBG</b>	Community Services Block Grant
<b>AVE</b>	Avenue	<b>CSMFO</b>	California Society of Municipal Finance Officers
<b>BHS</b>	Behavioral Health Services	<b>DEMO</b>	Demolition
<b>BIT</b>	Biannual Inspection of Terminals	<b>DEV</b>	Development
<b>BJA</b>	Bureau of Justice Assistance	<b>DHS</b>	Department of Homeland Security
<b>BLDG</b>	Building	<b>DIST</b>	District
<b>BLVD</b>	Boulevard	<b>DMH</b>	Department of Mental Health
<b>CA</b>	California	<b>DOC</b>	Document
<b>CAL OSHA</b>	California Occupational Safety and Health Act	<b>DUI</b>	Driving Under the Influence
<b>CALWORKS</b>	California Work Opportunity and Responsibility to Kids	<b>EAP</b>	Employee Assistance Program
<b>CAPE</b>	Community Action Project for the Elderly	<b>EDWAA</b>	Economically Dislocated Worker Adjustment Act
<b>CDBG</b>	Community Development Block Grant	<b>E.G.</b>	For Example (Exempli Gratia)
<b>CDE</b>	California Department of Education	<b>ENF</b>	Enforcement
<b>CDPP</b>	County Delinquency Prevention Program	<b>EPA</b>	Environmental Protection Agency
<b>CEO</b>	Chief Executive Officer	<b>ERAF</b>	Educational Relief Augmentation Fund
<b>CEQA</b>	California Environmental Quality Act	<b>ESA</b>	Environmental Site Assessment
<b>CHGS</b>	Charges	<b>E &amp; T</b>	Education and Training
<b>CINDEX</b>	Clerk's Index	<b>ETC</b>	Etcetera
<b>CIP</b>	Capital Improvement Projects	<b>EXP</b>	Expense
<b>CIS</b>	Continuous Improvement System	<b>FAU</b>	Federal Aid to Urban Areas
<b>CJSSP</b>	County Justice System Subvention Program	<b>FEMA</b>	Federal Emergency Management Agency
<b>CLEEP</b>	California Law Enforcement Equipment Program		

## ABBREVIATIONS AND ACRONYMS

<b>FPPC</b>	Fair Public Practices Commission	<b>LACDACC</b>	Los Angeles County Department of Animal Care and Control
<b>G-CAN</b>	Gardena Community Action Network	<b>LACoFD</b>	Los Angeles County Fire District
<b>GAAFR</b>	Governmental Accounting, Auditing and Financial Reporting	<b>LLEBG</b>	Bureau of Justice Assistance Local Law Enforcement Block Grant Program
<b>GAAP</b>	Generally Accepted Accounting Practices	<b>LP</b>	Limited Partnership
<b>GAAS</b>	Generally Accepted Auditing Standards	<b>LAIF</b>	Local Agency Investment Fund
<b>GASP</b>	Governmental Accounting Standards Board	<b>LTD.</b>	Limited
<b>GBAC</b>	Gardena Business Advisory Council	<b>MAINT</b>	Maintenance
<b>GED</b>	General Education Development	<b>MDC</b>	Mobile Data Computers
<b>GEPCO</b>	Gardena Employee Personal Computer Opportunity	<b>MDT</b>	Mobile Data Terminals
<b>GFCC</b>	Gardena Family Child Care	<b>MGMT</b>	Management
<b>GFOA</b>	Government Finance Officers Association	<b>MGR.</b>	Manager
<b>GIS</b>	Geographic Information System	<b>MIC</b>	Management Information Center
<b>GMBL</b>	Gardena Municipal Bus Line	<b>MISC.</b>	Miscellaneous
<b>GMC</b>	Gardena Municipal Code	<b>MMIC</b>	Municipal Mutual Insurance Company
<b>GRADE</b>	Gardena Regional Anti-Drug Education	<b>MTA</b>	Metropolitan Transportation Authority
<b>GRAGA</b>	Gardena Royal and Ancient Golf Association	<b>N.A.</b>	National Association
<b>GREAT</b>	Gang Resistance Education and Training	<b>NPDES</b>	National Pollutant Discharge Elimination System
<b>HS</b>	Human Services	<b>NRC</b>	National Revenue Corp.
<b>HUD</b>	The U.S. Department of Housing and Urban Development	<b>OAA</b>	Older Americans Act
<b>ICMA</b>	International City/County Management Association	<b>OCJP</b>	Office of Criminal Justice Planning
<b>i.e.</b>	(Latin: id est) that is	<b>OJP</b>	Office of Justice Programs
<b>IMPR</b>	Improvement	<b>OSHA</b>	Occupational, Safety and Health Administration
<b>INC.</b>	Incorporated	<b>OTS</b>	Office of Traffic Safety
<b>IND</b>	Industrial	<b>PARS</b>	Public Agency Retirement System
<b>ISTEA</b>	Intermodal Surface Transportation Efficiency Act	<b>PERS</b>	Public Employee's Retirement System
<b>JAG</b>	Justice Assistance Grant Program	<b>PK.</b>	Park
<b>JR.</b>	Junior	<b>PL</b>	Place
<b>JT POWERS</b>	Joint Powers	<b>POP</b>	Problem Oriented Policing
<b>L.A.</b>	Los Angeles		

## ABBREVIATIONS AND ACRONYMS

<b>POST</b>	Police Officers Standards and Training	<b>SPORTS</b>	Service Providing Opportunities through Recreational Training & Support
<b>PRIM</b>	Primary	<b>SR.</b>	Senior
<b>PROG</b>	Program	<b>ST</b>	Street
<b>PROP 127</b>	Proposition 127: 1/2 cents of sales for public safety services (Public Safety Augmentation Fund)	<b>STEP</b>	Strategic Traffic Enforcement Program
<b>PROP 40</b>	Proposition 40: California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002	<b>STEP</b>	Subsidized Transitional Employment Program
<b>PSI</b>	Progressive Solutions, Inc.	<b>STIP</b>	State Transportation Improvement Program
<b>PT</b>	Part-time	<b>STPLHG</b>	Surface Transportation Program Local Hazard Grant
<b>RCC</b>	Regional Communication Center	<b>SUBVN</b>	Subvention
<b>REC.</b>	Recreation	<b>SYETP</b>	Summer Youth Employment and Training Program
<b>RFP</b>	Request for Proposal	<b>TDA</b>	Transportation Development Act
<b>SB</b>	Senate Bill	<b>TEA 21</b>	Transportation Equity Act for the 21st Century
<b>S.B.R.P.C.A.</b>	South Bay Regional Public Communications Authority	<b>TECH</b>	Technical
<b>SBWIB</b>	South Bay Workforce Investment Board	<b>TRANS</b>	Tax and Revenue Anticipation Notes
<b>SCAG</b>	Southern California Association of Governments	<b>TRAP</b>	Taskforce For Regional Auto Theft Prevention
<b>SCAMP</b>	Senior Community Action Meals Program	<b>TRG</b>	Training
<b>SCAMP HD</b>	Senior Community Action Meals Program-Home Delivered	<b>TV</b>	Television
<b>SCIBA</b>	Southern California International Business Academy	<b>UHP</b>	Universal Hiring Program
<b>SDA</b>	Service Delivery Area	<b>US</b>	United States
<b>SDCC</b>	Senior Day Care Center	<b>USDOJ</b>	U.S. Department of Justice
<b>SLESF</b>	Supplemental Law Enforcement Services Fund	<b>WIA</b>	Workforce Investment Act
		<b>WRG</b>	Waste Resources of Gardena
		<b>WOTC</b>	Work Opportunity Tax Credits
		<b>YMCA</b>	Young Men's Christian Association