GLOSSARY OF TERMS

ACTUAL

Indicates the budget amount actually expended (in the case of an appropriation) or received (in the case of a revenue) for the entire year, two years prior to the year for which the budget is presented.

ADJUSTED

Represents the amount from the year prior to the year for which the budget is presented (the latest figure for that budget appropriation or revenue line item), including any budget adjustments up to the printing of the budget, but not including end-of-year figures. Adjustments are made to the Adopted Budget throughout the year.

ADOPTED

Represents the final agreed upon budget amount at the beginning of the current budget year. These numbers are finalized when they are adopted by the County Legislature.

APPROPRIATED UNDESIGNATED FUND BALANCE

The amount of fund balance estimated to be available from previous years and appropriated for use in the current year.

APPROPRIATION

A statutory authorization against which expenditures may be made during a specific fiscal year. Appropriations represent the maximum spending authority, rather than mandates to spend. Expenditures need not, and generally do not, equal the amount of the appropriation from which they are made.

BOND

A security whereby an issuer agrees by written contract to pay a fixed principal sum on a specified (maturity) date and at a specified rate of interest.

BOND ANTICIPATION NOTE (BAN)

A short-term obligation, the principal of which is paid from the proceeds of the bonds in anticipation of which such note is issued.

BUDGET

A plan of all proposed appropriations and expenditures necessary to carry out programs and estimates of revenues expected to be available to support those expenditures.

BUDGET PROCESS

The steps in the development of the coming year's budget. The budget process, which begins in May and ends in December, includes receipt of department requests, development of the County Executive's recommendations and adoption of the final budget by the County Legislature. The requirements for this process are found in Article 6, Financial Procedures, Sections 603 and 604, of the Albany County Charter.

CAPITAL PROGRAM

The planned undertaking during the next five years of projects which cost more than $250,000 each and have a useful life of at least six years. Examples of such projects include large equipment purchases and highway projects.

CONSTITUTIONAL DEBT LIMIT

In accordance with article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, this limits the amount of debt which can be incurred to 7 percent of the five-year average full value of taxable real property.

GLOSSARY OF TERMS

CONSUMER CONFIDENCE INDEX

A short-term economic indicator reflecting consumers' opinions about their current financial situations and future spending. The Index calculation is based on a survey of people asked to respond to questions regarding their current and future financial situations and buying plans.

CONTRACTUAL EXPENSES

Day-to-day operating and maintenance expenses, such as utilities, supplies, rentals, and insurance, but not including personal service expenditures.

COUNTY SHARE

The difference between appropriations and attributable revenue which must be raised through the property tax levy or non-attributable revenue.

DEBT LIMIT

The legal maximum authority of a municipality to incur debt.

DEBT SERVICE

Required payments of principal and interest on bonds and notes issued.

DEPARTMENT DESCRIPTION

Found in the department narrative, in the Executive Budget, ("About Our Department"), a summary of program activities and services for which the department is responsible.

ENCUMBRANCE

Provides a mechanism for reserving all or a portion of an appropriation for future expenditure.

EQUIPMENT

Expenses for any type of equipment, including but not limited to, office, computer, and safety equipment.

EXECUTIVE BUDGET

The County Executive's annual submission to the Legislature, which contains the recommended program for the forthcoming fiscal year. The Executive Budget is an overall plan of recommended appropriations.

FISCAL YEAR

For the County of Albany, the same as the calendar year — from January 1st through December 31st.

FRINGE BENEFITS

Expenses for New York State Retirement, Social Security, and hospital and medical insurance.

FUND

A self-balancing group of related accounts.

FUND BALANCE

In fund accounting, Fund Balance = Assets—Liabilities. It is analogous to Retained Earnings in a business enterprise.

GLOSSARY OF TERMS

GENERAL FUND

The accounts of the County are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The General Fund is the County's principal operating fund, accounting for all financial resources not required to be recorded in other funds. Other types of funds consist of Debt Service, the County Road Fund, Road Machinery Fund, Sewer District Fund, Risk Retention Fund, and Nursing Home Fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

For state and local governments, refers to uniform minimum standards of and guidelines for financial accounting and reporting prescribed by the Governmental Accounting Standards Board. GAAP requires fund accounting for all government resources and the accrual basis of accounting recognizes revenues when they become measurable and available to finance expenditures, and expenditures when a liability to pay for goods or services is incurred or a commitment to make aid payments is made, regardless of when actually paid.

GRANT

Funding from sources outside the County—federal, state, or private—to conduct a specific program to achieve a specific purpose.

GROSS REVENUES

Revenues prior to the payment of expenses for operation, maintenance, and debt service.

INDEX OF CURRENT ECONOMIC CONDITION

A short-term economic indicator reflecting consumers' opinions of their current situations. The Index calculation is based on a survey of people asked to respond to questions regarding their current financial situations. These survey questions are a subset of the questions asked in the Consumer Confidence Index.

INDEX OF FUTURE EXPECTATIONS

A short-term economic indicator reflecting consumer's opinions about their future spending. The Index calculation is based on a survey of people asked to respond to questions regarding their future financial situations and buying plans. These survey questions are also a subset of the questions asked in the Consumer Confidence Index.

INTERFUND TRANSFERS

One of the nine major object classes used to categorize appropriations. The Interfund Transfer appropriation represents the expense to one County department of government for services or supplies provided by another County department. Under GAAP, each fund is treated as a separate fiscal and accounting unit with limitations on the kinds of disbursements to be made. To comply with these limitations, monies are moved from one fund to another to make them available for use in the proper fund, and are accounted for as "interfund transfers."

MISSION

Found in the department narrative, in the Executive Budget, a broad statement of purpose for that department, fund, or program.

MUNICIPAL BOND

Bonds issued by any of the 50 states; U.S. territories and their subdivisions; counties, cities, towns, villages, and school districts; agencies, such as authorities and special districts created by the states; and certain federally sponsored agencies, such as local housing authorities. The interest paid on these bonds is exempt from federal income taxes and generally exempt from state and local taxes in the state of issuance.

GLOSSARY OF TERMS

MUNICIPAL NOTE

Short-term municipal obligations, generally maturing in three years or less. The most common types are Bond Anticipation Notes, Revenue Anticipation Notes, Tax Anticipation Notes, Grant Anticipation Notes, Project Notes, and Construction Loan Notes.

NET REVENUES

Gross revenues less operating and maintenance expenses.

OUTCOME

Found in the department narrative, in the Executive Budget, an ideal condition or end point which results when the department or program accomplishes its mission.

PERFORMANCE TARGETS

Found in the department narrative, in the Executive Budget, the measurable, quantifiable goals that the department or program plans to accomplish during
the next fiscal year toward reaching its desired outcomes.

PERSONNEL SERVICES

Expenses in support of the County workforce, including salaries, wages, overtime, and longevity payments.

PROPERTY TAX CAP

The tax cap law establishes a limit on the annual growth of property taxes levied by local governments and school districts to two percent or the rate of inflation, whichever is less.

REAL GROSS DOMESTIC PRODUCT

A measure of the value of all goods and services produced within a nation's borders regardless of the nationality of the producer.

REQUESTED

Describes the budget amount requested of the County Executive by the department.

REVENUE

Estimates of every and all types of income received by County departments and programs, including funds from fees, charges, surcharges, rents, reimbursements, grants, fines, interest, and earnings.

STRATEGIC INITIATIVE

Found in the department narrative, in the Executive Budget, a reorganization or fundamental new approach to department processes designed to improve the efficiency or cost effectiveness of program activities and service delivery.

TAX ANTICIPATION NOTE (TAN)

Notes issued by states or municipalities to finance current operations before tax revenues are received. When the issuer collects the taxes, the proceeds are then used to retire debt. Tax anticipation notes serve to smooth out the cash flow needs throughout the fiscal year.

TAX LEVY

The total amount to be raised by the general real estate or property tax.