

# CITY OF HOMER

## ACCOUNT DESCRIPTIONS

**4101 -Real Property Taxes:** Ad valorem taxes levied at 4.5 mils on assessed valuation of real (secured) property, i.e. land, buildings, etc. Taxes are due at the Borough on August 15 and November 15 of each year.

**4102 -Personal Property Taxes:** Taxes levied at 4.5 mils on privately own personal property, i.e. airplanes, snow machines, etc. Taxes are due on August 15 and November 15 of each year.

**4103 - Motor Vehicle Taxes;** This is the tax on all licensed vehicles in the State. The Borough apportions this tax on the population of each Tax Code Area (TCA). The total receipts are apportioned to each TCA based on its percentage of the total Borough population. The receipts apportioned to a particular TCA are distributed to taxing jurisdiction areas (TJAs) which make up the TCA. Distribution is based on the mill rates of the TJA's composition to the total mill rate of the TCA.

**4104 - Prior Years Taxes:** Collection in the current year of taxes levied in the prior year or years (delinquent taxes).

**4105 -Penalty & Interest-Property Taxes:** Collection of penalties and interest on delinquent taxes.

**4201 - Sales Tax:** The City sales tax rate is 4.5% and is apportioned as follows: 3% for general services, 3/4% for sewer debt retirement and 3/4% for street reconstruction and related utilities.

**4202 -Public Utility Tax:** Taxes paid by the electric and telephone coops to the State. The taxes are based on: all electric kWh sold within the City limits of Homer at .0005 mills;

total telephone revenue generated within the City.

**4203 -Liquor License:** Amount received from the State for the tax levied on these items.

**4205 - Sales Tax Commission:** Prompt filing of quarterly sales tax allows us to take a 5% or maximum \$1,000 from the remittance to the KPB.

**4206 – Fish Tax:** Monies received by the Port and Harbor for the shared fisheries business tax program.

**4207 – Cruise Ship Tax:** Cruise Ship Passenger Tax received through the Kenai Peninsula Borough. Funds to be used only for the benefit of Cruise Ship Landings.

**4245 - Waste Oil Disposal Recovery**

**4249 -Oil Spill Recovery**

**4301 - Driveway Permit:** Fee charged permission to connect property to a City street by way of a driveway.

**4302 - Sign Permit Fee:** charged permission to put up a sign within the City.

**4303 -Building Permit:** Fee charged based on the value of the building to be constructed.

**4304 -Peddler Permit:** Fee charged for a business without a permanent physical location for their business.

**4305 - Animal License:** Fees collected for the licensing of animals with the city limits.

**4308 -Zoning Fees:** Fee charged for a variety of changes such as variance, rezone, and contract rezone. See HCC 21.

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**4309 - ROW Permit:** Fee charged for a Right of Way Permit. Fee is based on the magnitude of the project.

**4311 - Library Cards:** Fee charged for the use of library facilities.

**4314 – Taxi/Chauffeurs/Safety Inspections**

**4318 – Parking Revenue:** Revenues generated from parking on the spit.

**4319 – Sale of Electrical Supplies**

**4401 - Fines/Forfeitures:** Revenues derived from traffic violations and bail forfeitures.

**4402 - Non-Moving Fines:** Revenues from fines other than moving violations i.e. parking fines.

**4501 - Alaska Shared Revenue:** This revenue is based on revenues received from the state for the Homer Community.

**4503 - Prisoner Care:** Revenues received from the State. Provides for prisoner custody and care related to the jail. Payments are made at the end of each quarter.

**4504 -Borough 911:** Revenues received by the Kenai Peninsula Borough for providing 911 emergency services.

**4505 - Police Special Services:** Certain services are provided to the State Troopers like dispatching, etc. Payment is made at the end of each quarter.

**4507 - Library Grant -** State library grant funds received.

**4511 - Pioneer Ave P/W Maintenance:** The State pays the City for maintenance services provided for Pioneer Ave.

**4512 - Reimbursement for Expenses:** For reimbursement of an expenditure made by the City, i.e. employee is on jury duty and receives their regular pay. The jury duty check is credited to this account.

**4514 - Other Grants:** Miscellaneous grants received by departments.

**4515 Ferry Lease:** City exchange of land use by State Ferry System for maintenance garage.

**4599 – Pioneer Ave. Beautification:** Revenue collected from businesses for planting flowers.

**4601 - Ambulance Fees:** Payment for services associated with emergency medical services provided to patients in transport to a particular destination.

**4602 - Fire Department Services:** Fire-related services provided by Fire Dept.

**4603 - Fire Contract:** Contract for fire protection to Kachemak City.

**4604 - EMS Class Fee:** A fee charged each individual for classes that prepare individuals to provide Emergency medical services to local citizens.

**4606 - Wildland Fires:** (outside city limits) Payment received for fighting wild fires outside the City limits.

**4607 - Other Services:** Monies received for services and goods provided by the City.

**4608 - City Campground:** Fees collected for the use of the Hillside Campground facility at Hornaday Park.

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**4609 - Animal Care Fees:** Fees charged for the impoundment, care and feeding of stray animals.

**4610 - Sale of Plans & Specs:** Charge for the standard plans and specs sold along with the specific plans and specs for a project.

**4611 - City Clerk Fees:** Fees charged for services such as notary, copies of meeting tapes, election-related matters, etc.

**4612 - Publication Fees:** Charges for copies of City documents sold, i.e. comprehensive plan, zoning map, legislative requests, CIP, zoning & planning information, etc.

**4613 - Cemetery Plots:** Revenues derived from the sale of cemetery plots.

**4614 - Community School Class Fees:** Fees charged for community school classes.

**4616 - Metered Sales:** Residential Income derived from the sale of water to residences in and outside the City of Homer.

**4617 - Metered Sales - Commercial Income** derived from the sale of water to local businesses in and outside of the City of Homer.

**4618 - Metered Sales:** Industrial Income derived from the sale of water to various industrial businesses in the Homer area.

**4619 - Inspection Fees:** Fee charged to inspect new water or sewer connection and sewer or water permit fees for connect to City system.

**4620 - Ice Sales:** Charge for the sale of ice at the fish dock.

**4621 - Cold Storage:** Fee charged for the use of the City cold storage facility located in the Port/Harbor area.

**4622 - Crane Rental:** Fee charged for the use of the crane at the fish dock.

**4623 - Card Access Fee:** Fee charged to purchase annual crane card which allows access to the crane.

**4624 - Berth Rent - Transient Monthly:** Certain areas of the harbor have transient vessels that use boat slips on a first come based for short term usage.

**4625 - Berth Rent - Reserved:** Certain areas of the harbor have reserved berths. An annual fee is collected for the use of these boat slips.

**4626 - Berth Rent - Transient A:** Annual transient moorage fee.

**4627 - Berth Rent - Transient S:** Semi-annual transient moorage fee.

**4628 - Berth Rent - Transient D** Daily transient moorage fee.

**4629 - Metered Energy:** Fee for the use of electrical energy. Reserved stalls are charged a minimum fee plus cost per kWh.

**4631 - US Coast Guard Leases:** Lease payments for Coast Guard's use of the Port/Harbor facilities.

**4633 - Stevedoring:** Longshore services billed to vessels requiring a longshore crew to dock, load, and/or unload products.

**4634 - Port Storage Fee:** Amount charged for storing other than City property in designated areas.

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## ACCOUNT DESCRIPTIONS

**4637 - Seafood Wharfage:** Fee charged for moving seafood over deep water dock.

**4638 - Main Dock - Fuel Wharfage:** Fee for moving fuel over the docks.

**4639 - Main Dock – Wharfage:** Fees charged for the use of the Main Dock to receive or discharge cargo and passengers.

**4640 - DWD – Wharfage:** Fees charged for moving cargo over the Deep Water Dock.

**4641 - Main Dock - Water Sales:** Sale of water to vessels using the Main Dock.

**4642 - Main Dock – Docking:** Charge for use of Homer docking facilities at the Main Dock.

**4643 - DWD – Docking:** Charge for the use of Homer docking facilities at the Deep Water Dock.

**4644 - Pumping:** Fee charged for the use of the pumping equipment on the dock.

**4645 - Wooden Grid:** Fee for putting a vessel on the wooden grid.

**4646 - Commercial Ramp Use:** Fee charged for using the inner harbor barge ramp.

**4647 - Berth Waiting List:** Fee received for putting an individual's name on the list for the next available berth for their boat.

**4648 - Steel Grid Use:** Fee for putting a vessel on the steel grid.

**4650 - Rent & Leases:** Charges for the use of City facilities i.e. state trooper use of a portion of the Police Department Building and facilities and leases of Spit land.

**4653 - L & L Ramp:** Fee charged for launching and landing of smaller boats, mainly for recreational use.

**4654 - Spit Camping:** Fee charged for camping on the Spit for both tents & RVs.

**4655 - Airline Leases:** Fee charged for lease of space at airport used to operate an airline.

**4656 - Concessions:** Fee charged for concession stands at airport.

**4657 - Car Rental:** Fee charged to car rental agency at airport.

**4658 - Parking Fees:** Fee charged for long term parking at the airport.

**4659 - Vending Machines:** Fee charged for vending machines stationed at the airport.

**4660 - Advertising:** Fee charged for advertising at the airport.

**4661 - Connection Fee:** Charges to establish services for sewer and/or water \$30.00. Service calls, minor repairs, inspections at \$25.00 per hour. It may include the actual labor cost for an employee.

**4662 - Services & Meters:** Payment of the (stub out fees) water or sewer permit and/or deferred service installation, fees charged for services a one time meter lease fee for water.

**4663 - Transient Energy 110V:** Charges for use of 110 volt electrical energy for transients based on daily or monthly rates.

**4664 - Transient Energy 220V:** Charges for use of 220 volt electrical energy for transients based on daily or monthly rates.

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**4665 - Transient Energy 208+B325V3P:** Charges for use of 208 volt three phase electrical energy for transients based on daily or monthly rates.

**4666 - Commercial Ramp Wharfage:** Charge for moving cargo over the commercial ramp.

**4667 - Beach Wharfage:** Fee charges for moving cargo over City-owned beaches.

**4668 - DWD – Water:** Sale of water to vessels using the Deep Water Dock.

**4672 – Port Security:** Reimbursement received for providing security during cruise ship landings.

**4700 – Other Wharfage - Fish Dock:** Miscellaneous wharfage over the fish dock.

**4701 - RV Dump Station:** Revenue generated by the RV dump station on the Spit.

**4703 - Main Dock Seafood Wharfage:** Fee charged for moving seafood over the main dock.

**4704 - Outfall Line:** Fee charged for connection & annual fee for services on outfall line used to dispose of fish waste.

**4706 – Fish Grinding:** Fee charged for Fish Grinding.

**4801 - Interest:** Interest earned from the investment of money in the particular fund to which it applies. Revenue derived from the investment of City money.

**4802 - Penalty & Interest:** Penalties and interest levied on delinquent accounts. This includes water, sewer, assessments and port/harbor accounts receivables.

**4808 - Other Financing Source:** Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases.

**4901 - Surplus Property Sale:** Sale of equipment and property no longer used by the City.

**4902 - Other Revenue/Income:** Miscellaneous unspecified monies received by the City. This could be non-revenue income.

**4903 - Insurance Rebate:** The amount received from various insurance companies because of the good experience in that particular area by the City.

**4905 - Donations/Gifts:** Receipt of monies which are available to the City for general specific purposes.

**4906 - Proceeds from Lawsuits:** Settlement monies derived from litigation.

**4907 - Old School Lease Fees:** Fees charged to use space in building.

**4930 - Other Finance Source:** Other finance source proceeds.

**4981 - G/F Services Reimbursement from Water:** Charges to the Water Fund for overhead and administrative services provided by the General Fund.

**4982 - G/F Services Reimbursement from Sewer:** Charges to the Sewer Fund for overhead an administrative services provided by the General Fund.

**4983 - G/F Services Reimbursement from Port/Harbor:** Charges to the Port/Harbor

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Fund for overhead and administrative services provided by the General Fund.

**4984 - G/F Services Reimbursement from HART:** Charges to HART for overhead and administrative services provided by the General Fund.

**4985 - G/F Services Reimbursement from HAWSP:** Charges to HAWSP for overhead and administrative services provided by the General Fund.

**4992 - Transfers:** (operating)

**5101 - Regular Employees:** Salaries, regular full-time and part-time employees.

**5102 - Fringe Benefits:** Fringe benefits for regular full-time and permanent part-time employees.

**5103 - Part-Time Employees:** Part-time, seasonal, casual, on-call employees.

**5104 - Part-Time Fringe:** Fringe benefits for part-time, seasonal, casual, on-call employees.

**5105 - Overtime:** Overtime pay @ appropriate rate.

**5106 - Leave Cash Out:** Employee cash out of accrued leave.

**5107 - Part-Time Overtime:** Non-regular employee overtime pay.

**5201 - Office Supplies:** Forms, stationary, pencils, computer supplies, copy paper, etc.

**5202 - Operating Supplies:** All other supplies including firefighting, EMS, bedding, personal hygiene, first aid, animal related;

general shop operations, building, electrical, chemicals, sand, gravel, housekeeping, etc.

**5203 - Fuel/Lube:** Fuel and lube supplies.

**5204 - Chemicals:** Chlorine and other purifying chemical used in water and sewer treatment.

**5205 - Ammunition:** Ammunition and supplies for training and operations in the police department.

**5206 - Food/Staples:** Food for guests, events, visitors, animals and supporting supplies.

**5207 - Vehicle/Boat Maintenance:** Cost of repair and maintenance of autos, trucks, boats, and forklifts.

**5208 - Equipment Maintenance:** Cost of repair and maintenance of equipment.

**5209 - Building & Grounds Maintenance:** Cost of repair and maintenance to buildings and grounds associated with the facility.

**5210 - Professional & Special Services:** Cost of consultants, technicians and services provided by others.

**5211 - Accounting/Audit:** Cost of outside accounting services; annual audit costs.

**5212 - Engineer/Architect:** Cost of consulting engineers or architects.

**5213 - Survey/Appraisal:** Cost of surveyor or appraiser.

**5214 - Rents & Leases:** Cost of renting, leasing buildings, vehicles, books, equipment, etc.

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## ACCOUNT DESCRIPTIONS

**5215 - Communications:** Telephone service, fax, modems, cell phone usage and signal devices.

**5216 - Postage/Freight:** Postage expense including special delivery, Federal Express, air, etc.

**5217 - Electric:** Cost of electricity for buildings, facilities, grounds.

**5218 - Water:** Cost of water services for buildings, facilities, grounds.

**5219 - Sewer:** Cost of sewer services for buildings, facilities, grounds.

**5220 - Refuse/Disposal:** Cost of refuse collection and disposal; including the pumping of restrooms and RV dump station.

**5221 - Property Insurance:** Fire/property casualty premiums on all buildings and other structures.

**5222 - Auto Insurance:** All licensed vehicles that require insurance coverage.

**5223 - Liability & Professional Insurance:** Liability insurance premiums including police, fire, and EMT professional insurance.

**5224 - Bond Insurance:** Public employee's fidelity bond insurance.

**5227 - Advertising:** Cost of advertising in radio, newspapers, or magazines, including legal publications.

**5228 - Books:** Cost of books purchased.

**5229 - Periodicals:** Cost of periodicals purchased.

**5230 - Audio/Visual Materials:** Cost of audio/visual materials.

**5231 - Tools/Equipment:** Cost of tools and related equipment.

**5233 - Computer/Related Items:** Includes the costs of computers, printers, scanners, software, and other related computer equipment.

**5234 - Recording Fees/Permits:** Recording documents, permits, etc.

**5235 - Membership/Dues:** Cost of membership/dues to professional organizations.

**5236 - Transportation:** Cost of business travel including airfare, car rental, tax, and reimbursement for mileage. Does not include transportation related to employee education, see account #5603.

**5237 - Subsistence:** Cost of meals, hotels and other related costs due to City business travel. Does not include subsistence related to employee education, see account #5603.

**5238 - Printing/Binding:** Costs of book binding for library materials, printing informational matter, Camping fee tickets.

**5241 - G/F Admin Fees:** Reimbursement from enterprise funds for administrative services paid for by the General Fund.

**5243 - Courier:** Pickup and delivery of intra-department mail to other locations.

**5244 - Snow Removal:** Contractual cost of removing snow from certain City facilities.

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## ACCOUNT DESCRIPTIONS

**5248 - Lobbying:** Includes cost of travel, subsistence, special consultants, and other related costs associated with lobbying.

**5249 - Oil Spill Response:** Cost of responding to an oil spill.

**5251 - Pioneer Ave. Beautification:** Cost of growing and planting flowers on Pioneer Ave.

**5252 - Credit Card Expense:** Percentage amount charged by the bank for use of credit card machine.

**5253 - Stop Loss Claim:** Cleaning account for stop loss coverage until insurance pays.

**5254 - Over/Short:** when cash in cash register does not equal cash taken in.

**5256 - Waste Oil Disposal:** Cost to dispose of waste oil at harbor.

**5258 - Float/Ramp Repairs:** Cost of repairs on harbor floats and ramps.

**5280 - VIP Volunteer Incentive Program:** used by the Fire Department for volunteers.

**5283 – Library Maintenance:** Used for general maintenance of the library building.

**5284 – Police Department Maintenance:** Used for general maintenance of the police department building.

**5285 – Fire Department Maintenance:** Used for general maintenance of the fire department building.

**5286 – Old School Maintenance:** Used for general maintenance of the Boys & Girls Club/University leased building.

**5287 – Electrical supplies:** Purchase of electric supplies used in repair and maintenance.

**5292 – City Hall Motor Pool Maintenance:** Used for vehicle maintenance for vehicles used by City Hall.

**5293 – Police Department Motor Pool Maintenance:** Used for vehicle maintenance for vehicles used by the Police Department.

**5294 – Fire Department Motor Pool Maintenance:** Used for vehicle maintenance for vehicles used by the Fire Department.

**5601 - Clothing/Uniform Allowance:** All clothing, uniforms, and accessories for police, harbor officials, and prisoners to include the cost of laundry.

**5282 – City Hall Maintenance:** The cost of maintenance of City Hall Building.

**5602 - Safety Equipment:** Cost of required safety gear, jackets, protective clothing, rain gear, etc.

**5603 - Employee Training:** Cost of tuition, instruction, seminars, registration, supplies, travel, lodging, and meals directly related to training. Does not include public education or conferences.

**5604 - Public Education:** Cost of supplies, materials, instruction by professional and related costs for organizations and universities. Fire prevention, public EMS classes, and other forms of public education.

**5605 - Sister Cities:** Costs associated with Sister Cities' activities.

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## ACCOUNT DESCRIPTIONS

**5606 - Bad Debt Expense:** Uncollectible accounts written off.

**5607 - Debt Payments:** Includes principal and interest on bonds, loans, lease purchases and any other obligations whereby the City will acquire ownership of the asset.

**5608 - Interest:** Cost of borrowing monies.

**5610- Collection Expense:** Includes service fees charged the City for filing of court actions, vessel documentation research fees, notices, ads and any other related charges related to the collection of monies owed the City.

**5614 – Car Allowance:** Allowance paid to certain employees for the usage of their vehicles rather than the City providing a vehicle to them for City use.

**5625- Impound Costs:** The costs to impound vehicles.

**5627 – Port Security:** The costs to provide security for the cruise ships visiting Homer.

**5630 – Haven House:** Payments made to Haven House to assist them in operating expenses.

**5801 - Museum:** Contributions from the City.

**5804 - Chamber of Commerce/Visitors Center:** Contributions from the City.

**5823 - Fish Stocking:** The cost of salmon smolt for Nick Dudiak Fishing Lagoon.

**5901 - Equipment:** Capital outlay for equipment, furniture and fixtures or modifications costing more than \$5,000.

**5903 - Buildings & Improvements:** Capital outlay for buildings and/or improvements costing more than \$5,000.

**5904 - Land:** Capital outlay for the cost of acquisition of land by purchase or trade.

**5990 - Transfers:** Transfers to another fund/department.

# CITY OF HOMER

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## BUDGET GLOSSARY

**ADOPTED BUDGET** - Refers to the budget amounts as originally approved by the City of Homer City Council at the beginning of the year, and also to the budget document which consolidates all beginning-of-the-year operating appropriations and new capital project appropriations.

**ALLOCATION** - A part of a lump-sum appropriation which is designed for expenditure by specific organization units and/or for the special purposes, activities, or objects.

**AMENDED BUDGET** - Refers to the budget amounts as adjusted by Council approved supplements throughout the year.

**AML** - Stands for "Alaska Municipal League".

**APPROPRIATION** - The legal authorization granted by the legislative body of a government which permits officials to incur obligations and make expenditures of governmental resources for specific purposes. Appropriations are usually limited in amounts and time it may be expended.

**ASSESSED VALUATION** - The valuation set upon all real and personal property in the borough that is used as a basis for levying taxes. Tax-exempt property is excluded from the assessable base.

**BOND** - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate.

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used

without any modifier, the term usually indicates a financial plan for a single fiscal year.

**BUDGET DOCUMENT** - The official written statement prepared by the City's staff to present a comprehensive financial program to the City Council.

**BUDGET MESSAGE** - A general discussion of the proposed budget presented in writing by the budget-making authority to the City Council. The budget message contains an explanation of the principal budget items, an outline of the City's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

**CAPITAL OUTLAY** - Expenditures that result in the acquisition of items such as tools, desks, machinery, and vehicles costing more than \$5,000 each and having a useful-life of more than one year and are not consumed through use are defined as capital items.

**COLLATERAL** - Assets pledged to secure deposits, investments, or loans.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** - The official annual report of a government. It includes (a) the five combined financial statements in the combined statement - overview and their related notes and (b) combining statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial report pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material, and detailed statistical sections.

# CITY OF HOMER

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## BUDGET GLOSSARY

**CONTINGENCY** - Those funds included in the budget for the purpose of providing a means to cover minor unexpected costs during the budget year.

**CONTRACTUAL SERVICES** - Items of expenditure for services the City receives primarily from an outside company.

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**EDC** - Stands for "Economic Development Commission".

**EMPLOYEE BENEFITS** - Contributions made by the City to designated funds to meet commitments or obligations for employee fringe benefits. Included are the City's share of costs for Social Security and the various pension, medical, and life insurance plans.

**ENTERPRISE FUND** - A proprietary fund established to account for operations that are financed and operated in a manner similar to private business enterprises. In this case, the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**EXPENDITURES** - Decreases in net financial resources. Expenditures include current operating expenses, requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

**EXPENSES** - Outflows or other consumption of assets or occurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services, or

carrying out other activities that constitute the entities' on-going major or central operation.

**FIDUCIARY FUND TYPES** - The trust and agency funds used to account for assets held by a government unit in a trustee capacity or an agent for individuals, private organizations, other government units, and/or other funds.

**FINANCIAL RESOURCES** - Cash and other assets that in the normal course of operations become cash.

**FISCAL YEAR** - The twelve month period to which the annual operating budget applies and at the end of which a government determines the financial position and results of its operation. The City's fiscal year extends from January 1 through the following December 31.

**FUNCTION** - A group of related activities aimed at accomplishing a major service for which a government is responsible.

**FUND** - An accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures.

**FUND BALANCE** - The assets of a fund less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unreserved fund balance".

**FUND TYPE** - Anyone of seven categories into which all funds are classified in government accounting. The seven types are: general, special revenue, debt services, capital projects, enterprises, internal service, and trust and agency.

**GENERAL FUND** - A fund used to account for all financial resources except those required to be accounted for in another fund.

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## BUDGET GLOSSARY

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include only broad guidelines of general applications, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

**GOVERNMENT FUND TYPES** - Funds used to account for the acquisition, use, and balances of expendable financial resources and the related current liabilities-except those accounted for in the proprietary funds and fiduciary fund. Under current GAAP, there are four government types: general, special revenue, debt service, and capital projects.

**HART** - Stands for "Homer Accelerated Roads & Trails".

**HAWSP** - Stands for "Homer Accelerated Water Sewer Projects".

**INTERFUND TRANSFERS** - Amounts transferred from one fund to another fund. This includes reimbursements, residual equity transfers, and operating transfers.

**ISO** - Stands for "Insurance Services Office, Inc.", this organization does evaluations for insurance rating classifications and advises the protection class.

**LAPSE** - As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations; an appropriation is made for a certain period of time.

**LEVY** - To impose taxes, special assessments, or service charges for the support of government activities. Also used to denote the total amount of taxes, special assessments, or service charges imposed by a government.

**LIABILITIES** - Debt or other legal obligations, arising from present obligations of a particular entity, to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**LID** - Stands for "Local Improvement District", this is a mechanism used to obtain an organized unit for construction purposes.

**LONG TERM DEBT** - Debt with a maturity of more than one year after the date of issuance.

**MILL** - A measure of the rate of property taxation, representing one one-thousandth of a dollar of assessed value.

**MILLAGE RATE** - The tax rate on property, based on mill(s). A rate of 1 mill applied to a taxable value of \$100,000 would yield \$100 in tax.

**MODIFIED ACCRUAL BASIS OF ACCOUNTING** - A basis of accounting in which revenues and other financial resources are recognized when they become susceptible to accrual, that is when they are both "measurable" and "available to finance expenditures of the current period". "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplied that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All Governmental funds, expendable trust funds and agency

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## BUDGET GLOSSARY

funds are accounted for using the modified accrual basis of accounting.

**OPERATING BUDGET** - Plans of current expenditures and the proposed means of financing them. The annual operation budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Annual operating budgets are essential to sound financial management and should be adopted by every government.

**OPERATING TRANSFERS** - All interfund transfers other than residual equity transfers.

**ORDINANCE** - A formal legislative enactment by the legislative body which, if not in conflict with any higher form of law, has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges universally require ordinance.

**OTHER FINANCING SOURCES** - Governmental fund general long term debt proceeds, land lease payments, land sale payments, proceeds from the sale of fixed assets, operating transfers in, service charges, and fees for governmental services.

**PROGRAM** - An organized set of related work activities which are directed toward a common purpose or goal and represent a well-defined expenditure of city resources.

**PROGRAM BUDGET** - A budget which structures budget choices and information in terms of programs and their related activities,

(i.e. repairing roads, treating water, etc.), provides information on what each program is committed to accomplish in the long run (goals) and in the short run (objectives), and measures the degree of achievement of program objectives (performance measures).

**PROGRAM GOAL** - A program goal is a general statement on the intended effect or purpose of the program's activities. It includes terms such as: To provide (a service), to supply (a given need), to control, reduce, or eliminate (an occurrence), to maintain (standards), or to maximize (quality). A goal is not limited to a one-year time frame and should generally not change from year to year. A goal statement describes the essential reason for the program's existence.

**PROGRAM OBJECTIVE** - Objectives are statements of the intended beneficial and/or tangible effects or a program's activities. They are measurable, and related to the proposed budget year. They are specific targets toward which a manager can plan, schedule work activities, and make staff assignments. Objectives should be quantifiable and are addressed in terms such as: to increase an activity, to maintain a service level, to reduce the incidence, or to eliminate a problem.

**PROPERTY TAX** - A tax levied on the assessed value of property in mills.

**PROPRIETARY FUNDS** - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. Proprietary fund types used by the city include the enterprise funds.

**PURCHASE ORDER** - A document authorizing the delivery of specified merchandise or the rendering of certain services for a stated estimated price. Outstanding purchase orders

# CITY OF HOMER

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## BUDGET GLOSSARY

at the end of the fiscal year are called encumbrances.

**RECOMMENDED BUDGET** - The budget proposed by the City Manager to the City Council for adoption.

**RESOLUTION** - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**RETAINED EARNINGS** - An equity account reflecting the accumulated earning of an enterprise or internal service fund.

**REVENUE** - Increases in the net current assets of a governmental fund type other than expenditure refunds and residual equity transfers. General long term debt proceeds and operating transfers in are classified as "other financing sources".

**REVENUE BONDS** - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

**SALES TAX** - A tax levied on the sales price or charge on all sales, rentals and services made within the city.

**SELF-INSURANCE** - Revenues levied by one government are shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

**SINGLE AUDIT** - An audit performed in accordance with the Single Audit of 1984 and the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or required governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

**SPECIAL REVENUE FUND** - A fund used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specified purposes.

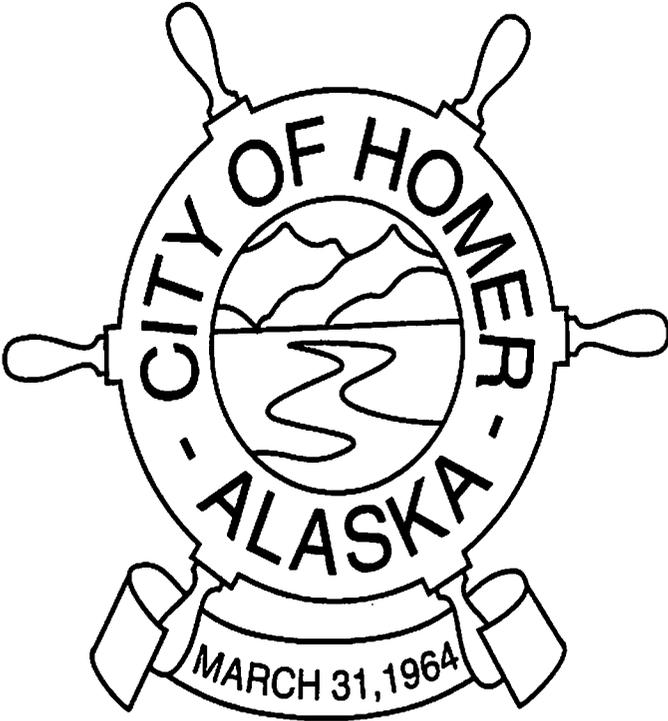
**TAX RATE** - The level at which taxes are levied

**TAX LEVY** - The total dollar amount of tax that optimally could/should be collected based on tax rates and assessed values of personal and real properties.

**TESHIO, JAPAN** - This is our Japanese Sister City.

**YELISOVO, RUSSIA** - This is our Russian Sister City.

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“WHERE THE LAND ENDS AND THE SEA BEGINS”