

GLOSSARY OF TERMS

A

ABATEMENT - A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

ACCOUNTING SYSTEM - The methods and records established to identify, assemble, analyze, classify, record and report a government's transactions and to maintain accountability for the related assets and liabilities.

ACCOUNTS PAYABLE - A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE - An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL ACCOUNTING - A basis of accounting in which debits and credits are recorded at the time they are incurred, as opposed to when cash is actually received or spent. For example in accrual accounting, a revenue which was earned between April 1 and April 30, but for which payment was not received until May 10, is recorded as of April 30 rather than on May 10.

AD VALOREM TAX - A tax based on value (e.g., a property tax).

ADVANCE REFUNDING BONDS - Bonds issued to refinance an outstanding bond issue before the date the outstanding bonds become due or callable. Proceeds of the advance refunding bonds are deposited in escrow with a fiduciary, invested in U.S. Treasury Bonds or other authorized securities and used to redeem the underlying

bonds at their maturity or call date, to pay interest on the bonds being refunded, or to pay interest on the advance refunding bonds.

AGENCY FUND - A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds. The agency fund also is used to report the assets and liabilities of Internal Revenue Code, Section 457, deferred compensation plans.

AMORTIZATION - (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

APPROPRIATION - An authorization made by City Council which permits the City to incur obligations and to make expenditures of resources. The City of Carbondale adopts a Budget in lieu of an Appropriation.

ARBITRAGE - Classically, the simultaneous purchase and sale of the same or an equivalent security in order to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of the proceeds from the sale of tax-exempt securities in a taxable money market instrument that yields a higher rate, resulting in interest revenue in excess of interest costs.

ASSESSED VALUATION - A value that is established for real or personal property for use as a basis for levying property taxes. The property values are established by the Carbondale Township Assessor.

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ASSET - A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

ASSIGNED FUND BALANCE – Amounts in this classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

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 Budget Ordinance. A performance audit consists of a review of how well the government met its stated goals.

B

BALANCED BUDGET - When total expenditures and other financing uses are equal to total revenues and other financing sources.

BALANCE SHEET - A financial statement that discloses the assets, liabilities, reserves and equity balances of a fund as of a specific date.

BASIS OF ACCOUNTING - A term used to refer to *when* revenues, expenditures, expenses, and transfers - and the related assets and liabilities - are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BASIS POINT - Equal to 1/100 of one percent. If interest rates rise from 7.50 percent to 7.75 percent, the difference is referred to as an increase of 25 basis points.

BOND - A written promise to pay a sum of money on a specific date at a specific time. The interest payments and the repayment of the principal are detailed in a Bond Ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and water and sewer systems.

BUDGET - A financial plan containing an estimate of proposed expenditures for a specified period of time (fiscal year) and the proposed means of financing them.

BUDGET ADJUSTMENT - A legal procedure utilized by the City staff and City Council to revise the Budget document. This can be done at any time during the fiscal year.

BUDGET CALENDAR - The calendar is a schedule of key dates or milestones which the City Departments follow in the preparation, adoption and administration of the budget.

BUDGET DOCUMENT - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

BUDGET MESSAGE - This opening section of the Budget provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

BUDGETARY CONTROL - 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.

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C

CAPITAL EXPENDITURE - Items which retain their original shape, appearance and character with use, are non-expendable, are expected to last more than twelve months and cost \$5,000 or higher, including freight and installation.

CDAP - Community Development Assistance Program

CALLABLE BOND - A type of bond with a feature that permits the issuer to pay the obligation before the stated maturity date by giving notice of redemption in a manner specified in the bond contract.

COMMUNITY INVESTMENT PROGRAM – This is a plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from long-term work programs.

COMMUNITY INVESTMENT PROGRAM BUDGET - Separate from the operating budget, items in the Community Investment Program (CIP) are usually construction projects designed to improve the value of the governmental assets. Examples of capital improvements projects include new roads, sewer lines, buildings, recreational facilities and large scale remodeling. CIP project summaries are included in this document under Supplemental Data.

CAPITAL OUTLAY - Buildings and structures, land, improvements, or items of equipment whose use life generally exceeds one year and are not classified as expendable.

COMMITTED FUND BALANCE – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.

COMMUNITY INVESTMENT FUND - A Fund created to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds.

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

CASH MANAGEMENT – This is the management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and out-flows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM - A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFRs/CUFRs and to provide technical assistance and peer recognition to the finance officers preparing them.

CEDE - To surrender officially or formally; to yield or grant

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – This is the official annual report of a government. It includes (a) the five combined financial statements in the combined statements overview and their related notes (the “liftable” GPFS) 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 reporting pyramid. It also includes supporting schedules

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necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section. Every government reporting entity should prepare a CAFR.

CONTINGENCY - A budgetary reserve set aside for emergencies or unforeseen expenditures.

CONTINGENT LIABILITY - Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

CURRENT TAXES - Taxes that are levied and become due within one year.

D

DEBT RATIOS - Comparative statistics illustrating the relation between the issuer's outstanding debt and such factors as its tax base, income or population. These ratios often are used as part of the process of determining the credit rating of an issue, especially with general obligation bonds.

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.

DEFACED BONDS - Bonds that have been issued but, due to some action, the proceeds are not used as planned. The proceeds are then used to establish an Escrow Trustee to pay off the principal and interest on the issued bonds.

DELINQUENT TAXES - Taxes that remain unpaid on and after the date on which a penalty for nonpayment is attached.

DEPARTMENT - A major administrative group which indicates 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. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

DIRECT LABOR - The cost of hours worked applied to a program function or statistic exclusive of paid benefits such as holidays, sick leave, funeral leave, vacations, etc.

DISBURSEMENT - Payment for goods and services in cash or by check.

DIVISION - A group which is comprised of a specific operation within a functional area. City Departments may contain one or more Divisions.

E

ENCUMBRANCE - The commitment of budgeted funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

ENTERPRISE FUND - A Fund established to account for operations financed and operated in a manner similar to private business enterprises. The costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Enterprise Funds are included in the Proprietary Fund Types.

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ENTITLEMENT - The amount of payment to which a state or local government is entitled pursuant to an allocation formula contained in applicable statutes.

EQUITY ACCOUNTS - Those accounts presenting the difference between assets and liabilities of the fund.

ESTIMATED ACTUAL REVENUE – This is the amount of projected revenue to be collected during the fiscal year.

EXPENDABLE TRUST FUND – This is a trust fund whose resources, including both principal and earnings, may be expended. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

EXPENDITURE - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid and applies to all funds. Note that an encumbrance is not a expenditure but reserves funds to be expended.

EXPENSES - Charges incurred, whether paid immediately or unpaid, for operation, maintenance, interest and other charges.

F

FHWA - Federal Highway Administration

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

FISCAL YEAR - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the

results of its operations. The City of Carbondale has specified May 1 through April 30 as its fiscal year.

FIXED ASSETS - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FORMAL BUDGETARY INTEGRATION - The management control technique through which the annual operating budget is recorded in the general ledger through the use of budgetary accounts. It is intended to facilitate control over revenues and expenditures during the year.

FTE - Full Time Equivalent - Used in relation to employees, the number of employee hours worked to equal one full-time employee, i.e. for FY 2011, one FTE is equal to 2,080 hours.

FULL FAITH AND CREDIT - A pledge of the general taxing power for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds or full-faith-and-credit bonds.

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

FUND - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitation.

FUND BALANCE – This is the difference between fund assets and fund liabilities of governmental and similar trust funds.

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FUND BALANCE-RESERVED FOR DEBT SERVICE - An account used to segregate a portion of fund balance for resources legally restricted to the payment of general long-term debt principal and interest maturing in future years.

G

GENERAL FUND - A fund that accounts for most of the financial resources of the City government. General Fund revenues include property taxes, licenses and permits, local taxes, and other types of revenue. This fund includes most basic operating services, such as police, fire, finance, public works, general administration, and development services.

GENERAL LEDGER - A record containing the accounts needed to reflect the financial position and the results of operations of a government. In double-entry bookkeeping, the debits and credits in the general ledger are equal (i.e., the debit balances equal the credit balances).

GENERAL OBLIGATION BONDS - Bonds which finance a variety of public projects, such as streets, buildings, and improvements. The repayment of these bonds is usually made from the Debt Service Fund and is backed by the full faith and credit of the issuing government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (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 not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

The primary authoritative body on the application of GAAP to state and local governments is the GASB.

GOALS, OBJECTIVES AND STRATEGIES - Goals are the ends that an organization wants to attain. Goals may be the aim that an organization wants to attain or maintain that supports an organizations policies or mission. Objectives are the specific methods sought in a period of time that accomplish or maintain a goal. Strategies are the detailed actions made in order to accomplish an objective.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - The authoritative accounting and financial reporting standard-setting body for government entities.

GOVERNMENTAL 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 proprietary and fiduciary funds. In Carbondale, the General, Special Revenue, Debt Service, and Capital Project Funds are all Governmental Fund Types.

GRANT - A contribution by a government or other organization to be used or expended for a specific purpose and may be classified as categorical or block, depending upon the amount of discretion allowed the grantee.

I

IMPACT FEES - Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g., parks, sidewalks).

INTERFUND RECEIVABLE/PAYABLE - Short-term loans made by one fund to another or the current portion of an advance to or from another fund.

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INTERFUND TRANSFERS - Equity transferred from one fund to another.

INTERGOVERNMENTAL REVENUE - Revenue from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

INTERIM FINANCIAL STATEMENTS - Financial statements prepared as of a date or for a period during the fiscal year and including only financial transactions during the current year to date.

INTERNAL CONTROL STRUCTURE - Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government. The Internal Service Fund is included in the Proprietary Fund Types.

INTRAFUND TRANSFERS - Equity transferred to another account from within the same fund.

INVENTORY - (1) A detailed list showing quantities, descriptions and values of property and, frequently, units of measure and unit prices. (2) An asset account reflecting the cost of goods held for resale or for use in operations.

INVESTMENTS - Securities and real estate held for the production of revenue in the form of interest, dividends, rentals, or lease payments. Not included are fixed assets used in governmental operations.

INVOICE - A bill requesting payment for goods or services by a vendor or other governmental unit.

J _____

JUDGMENT - An amount to be paid or collected by a government as the result of a court decision including a condemnation award in payment for private property taken for public use.

L _____

LEASE-PURCHASE AGREEMENTS - Contractual agreements that are termed leases but that in substance are purchase contracts.

LEVY - To impose taxes, special assessments, or service charges for the support of City activities is a levy.

LIABILITIES - Probable future sacrifices of economic benefits, 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.

LINE ITEM BUDGET - A budget that lists each expenditure category separately, such as wages, travel, utilities, etc., along with the dollar amount budgeted for each specific category.

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

M _____

MAJOR FUND - A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures /expenses, assets or liabilities are a

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significant portion of totals for all governmental or enterprise funds.

MODIFIED ACCRUAL ACCOUNTING

- A basis of accounting in which expenditures are recognized when the related fund liability is incurred, 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 then are actually received or available and measurable. This type of accounting basis is a conservative financial approach and is recommended as the standard for most governmental funds.

MORTGAGE BONDS - Bonds secured by a mortgage against specified properties of a government, usually its public utilities or other enterprises. If primarily payable from enterprise revenues, they also are classed as revenue bonds,

N

NET BONDED DEBT - Gross bonded debt less any cash or other assets available and earmarked for its retirement and less all self-supporting debt (e.g., revenue bonds).

NET INTEREST COST - A method used to calculate a bond issuer's interest cost. The net interest cost (NIC) does not take into account the time value of money. The NIC is equal to the total interest payments plus discount (or minus premium), divided by the number of bond years.

NON-SPENDABLE FUND BALANCE - This is the amount of fund balance that is made up of prepaid assets and inventories.

O

O & M - Operating and Maintenance

OBJECT CODE - An expenditure category, such as wages, communications, and office supplies, relating to the types of items or services purchased.

OBJECTIVES - see "Goals, Objectives and Strategies".

OPERATING BUDGET - Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating 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. Even when not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

OPERATING TRANSFERS - All inter-fund transfers other than residual equity transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

ORDINANCE - A formal legislative enactment by the City Council, barring conflict with higher law, having the full force and effect of law within the City.

OTHER FINANCING SOURCES - Governmental fund general long-term debt proceeds and operating transfers-in from other funds of the same government unit which are classified separately from revenues.

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OTHER FINANCING USES - Governmental fund operating transfers-out to other funds of the same government unit which are classified separately from expenditures.

OVERHEAD - Salary and wages paid other than direct labor, including holidays, sick leave, funeral leave, vacations and expenses for all other line item accounts.

P

PAR VALUE - In the case of bonds, this is the amount of principal that must be paid at maturity. Par value is referred to as the face value of the security.

PAYING AGENT - This is an entity responsible for paying of bond principal and interest on behalf of the government.

PER CAPITA DEBT - The amount of a government's debt divided by its population. Per capita debt is used to indicate the government's credit position by reference to the proportionate debt borne per resident.

PERFORMANCE BUDGET - A budget that bases expenditures primarily upon measurable performance of activities and work programs is a performance budget. It may also incorporate other bases of expenditure classification, such as character and object class, but these are secondary to activity performance.

PLEGGED REVENUES - Funds generated from revenues and obligated to debt service or to meet other obligations specified by the bond contract.

PROPERTY TAX - Tax which is levied on both real and personal property according to that property's valuation and tax rate.

PROPRIETARY FUND TYPES - A group of funds in which the services provided are financed and operated similarly to those of a

private business. Proprietary Fund Types in Carbondale include Enterprise Funds, which are established for services such as water and sewer; parking facilities, refuse collection, and rental properties, and Internal Service Funds, established for the Self Insurance Fund.

PURCHASE ORDER - A document which authorizes the purchase and charges of specific merchandise or services from a vendor and encumbers the funds to pay for the merchandise or services. Its main function is to expedite and control buying by the City.

R

RATINGS - This applies in the context of bonds, normally an evaluation of credit-worthiness performed by an independent rating service.

REFUNDING BONDS - Bonds issued to retire bonds already outstanding. The refunding bonds may be used to provide the resources for redeeming outstanding bonds, or the refunding bonds may be exchanged with the holders of the outstanding bonds.

REINSURANCE - A transaction in which a reinsurer (assuming enterprise), for a consideration (premium), assumes all or part of a risk undertaken originally by another insurer (ceding enterprise). However, the legal rights of the insured are not affected by the reinsurance transaction, and the insurance enterprise issuing the insurance contract remains liable to the insured for payment of policy benefits.

RESERVE - An account which indicated that a portion of a fund's balance is legally restricted for a specific purpose and is not available for general expenditure.

RESERVED FUND BALANCE - Those portions of fund balance that are not

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appropriate for expenditure or that are legally segregated for a specific future use.

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

RESTRICTED FUND BALANCE – This category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

RETAINED EARNINGS – This is an equity account reflecting the accumulated earning of an enterprise or internal service fund.

REVENUE - Funds the government receives as income, excluding "other financing sources". Such funds may be tax payments, fines, grants or interest income.

REVENUE BONDS - Bonds usually sold for constructing a project which will produce revenue for the government and whose principal and interest are paid from this revenue.

REVOLVING FUND - (1) An internal service fund (2) An imprest account accounted for as an asset of a fund.

RISK MANAGEMENT – This type of management is an organized attempt to protect governments' assets against accidental loss in the most economical method.

S

SELF-INSURANCE - A term often used to describe the retention by an entity of a risk of loss arising out of ownership of property or from some other cause, instead of transferring that risk to an independent third

party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses.

SHORT-TERM DEBT - Debt with a maturity of one year or less after the date of issuance.

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

SINKING FUND BONDS - Bonds issued under an agreement requiring the government to set aside periodically out of its revenues a sum that, with compound earnings thereon, will be sufficient to redeem the bonds at their stated date of maturity. Sinking fund bonds are usually term bonds.

SOURCE OF REVENUE - Revenues are classified according to their point of origin.

SPECIAL ASSESSMENT - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require the use of special revenue funds when legally mandated.

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STATEMENT OF REVENUES AND EXPENDITURES

- The financial statement that is the governmental fund and expendable trust fund GAAP operating statement. It presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in an entity's net current assets. Statements of changes in equity of governments should be combined with operating statements into "all-inclusive" operating statement formats.

STRATEGIES - see "Goals, Objectives and Strategies"

T

TAX-EXEMPT BONDS - State and local government securities whose interest is exempt from taxation by the federal government or within the jurisdiction issued.

TAX LIENS - Claims governments have upon properties until the taxes levied against them have been paid. This term is sometimes limited to those delinquent taxes the government has taken legal action to collect through the filing of liens.

TAX-RATE LIMIT - The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose or to taxes imposed for all purposes and may apply to a single government to a class of governments operating in a particular area. Overall tax-rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

TAX LEVY ORDINANCE - An ordinance by means of which taxes are imposed.

TRUST FUNDS - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds

U

UNAMORTIZED DISCOUNTS ON BONDS SOLD - A contra-liability account used to reflect that portion of the face value of bonds exceeding the amount received from their sale (excluding amounts paid for accrued interest) which remains to be amortized over the remaining life of such bonds.

UNASSIGNED FUND BALANCE - This is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classification.

UNDEFACED - Represents the principal and/or interest remaining of a bond issue that has been defaced. (See **DEFACED BONDS**)

UNDERWRITER - In the context of bonds, this is a dealer who purchases a new issue for resale.

UNENCUMBERED BALANCE - This applies to the amount of funds which is neither expended nor reserved, but is still available for future purchases.

V

VARIABLE INTEREST RATE - A rate of interest subject to adjustment (e.g., the rate of interest specified may be a percentage of the prime rate on certain set dates).

VEBA - A voluntary employee's beneficiary association (VEBA) is a tax-exempt trust established under § 501(c)(9) of the Internal Revenue Code to fund life, health, disability and other permissible benefits. The assets of the VEBA must be

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set aside and used exclusively for the purpose of providing permissible benefits to participants in the VEBA. Assets cannot revert to the employer.

W _____

WARRANT - An order drawn by the legislative body or an officer of a government upon its treasurer, directing the latter to pay a specified amount to the person named or to the bearer. It may be payable upon demand, in which case it usually circulates the same as a bank check; or it may be payable only out of certain revenues when and if received, in which case it does not circulate as freely.