

Glossary of Terms

Accrual Basis of Accounting – The basis of accounting that records revenue at the time earned and expenses when incurred, rather than when collected or paid.

Allocated Administrative Costs – Allocates the cost of general administrative departments that are required to manage the City and provide support to all funds.

Annual Budget – A plan for the coordination of resources and expenditures. The budget is the financial plan for the City's allocation of resources to provide services, accomplish the City's goals and objectives, and perform activities.

Appropriation – The legal authorization given by City Council to spend funds that have been designated for a specific purpose.

American Recovery and Reinvestment Act – The American Recovery and Reinvestment Act (ARRA) was instituted in February of 2009 as a direct response to the economic crisis. This funding was designed to stimulate economic activity and long-term growth, create and retain jobs, and provide transparency for government spending.

Arterial Roadway Fund – Fees paid by landowners provide funding for the cost of constructing/expanding freeway, expressway, and major or minor arterial roadway bridges.

Assigned Fund Balance – This describes the portion of fund balance that reflects the City's intended use of resources. This authority rests with Mayor and is delegated to staff through the use of encumbrances.

Balanced Budget – A budget in which revenue sources are identified to balance with expenditures for services provided in a specific fiscal year.

Ballfield Capital Improvements Fund – Fees paid by softball and baseball teams upon league registration provide funding for maintenance and improvements to baseball and softball fields throughout the city.

Banning Lewis Ranch Fund – General Annexor Obligation Fee, BLR Parkway, or Interchange Fees provide funding to reimburse those annexors who construct shared infrastructure or who fulfill Annexation Agreement obligations identified as reimbursable shared obligations within the BLR Annexor Shared Infrastructure Study.

Basis of Accounting – The City's annual budget is developed using the generally accepted accounting principles (GAAP) and the budgetary basis of accounting. GAAP is determined on a modified accrual basis and budgetary is determined on an accrual basis.

Beginning Fund Balance – The unexpended amount in a fund at fiscal year-end that is available for appropriation in the next fiscal year.

Bicycle Tax Fund – A sales tax on the purchase of all new and used bicycles purchased in the city provides funding for maintenance repair and expansion of the city's bikeway system.

Breakthrough Strategies – A defined strategy of a department/division objective with outcomes measured or completed by a determined timeframe that achieve the Mayor's goals for the City.

Business Improvement District (BID) – District created under Colorado Revised Statutes § 31-25-1201 *et. seq.* to finance public improvements and/or provide services within identified primarily non-residential areas. BIDs typically derive most of their revenue from a property tax, and they have the authority to issue debt.

Cable Franchise – Pursuant to franchise agreements approved by City Council, cable subscriber fees provide funding to the City for information technology strategic needs; to Southern Colorado Educational Televisions Consortium (SCETC) to continue operating their network and production truck; and to SpringsTV for implementation, equipment maintenance, and staffing and communication needs.

Capital Improvement – A project of relatively high monetary value (at least \$50,000), long life (at least five years), and the outcome of the project results in the creation of a fixed asset or a significant revitalization that upgrades and extends the useful life of a fixed asset.

Capital Improvements Program (CIP) – An annual updated plan of capital expenditures for public facilities and infrastructure (buildings, streets, etc.) with estimated costs, sources of funding, and schedule of work over a five-year period. A five-year plan is included as required by the Charter.

Capital Outlay – A major object category that includes expenditures for land purchase, buildings (purchase or construction), improvements other than building (purchase or construction), or equipment and furniture with a unit cost in excess of \$500.

Certificates of Participation (COPs) – A type of financing in which an investor purchases a share of the lease revenue of an agreement made by a municipal or governmental entity, rather than the bond being secured by those revenue.

City Health Foundation – Lease payments made to the City's Memorial Health System Fund by the University of Colorado Health system provide funding to the City Health Foundation to address health issues in the City of Colorado Springs.

Committed Fund Balance – This represents the portion of fund balance whose use is constrained by limitations that the City imposes on itself by City Council (highest decision making level) and remains binding unless removed in the same manner. The City does not use committed funds in its normal course of business.

- Requires action by City Council to commit fund balance
- Formal City Council action is necessary to impose, remove or modify a constraint reflected in the committed fund balance

Community Development Block Grant (CDBG) – Federal grant funds dedicated for programs and activities which primarily benefit low and moderate-income families, individuals, and neighborhoods. Programs include but are not limited to housing rehabilitation, affordable housing development and preservation, human service activities, and capital improvement activities.

Comprehensive Annual Financial Report (CAFR) – This report is commonly known as the annual Audit and is completed by an independent certified public accounting firm for the Finance Department. It contains information regarding all general-purpose financial statements for revenue and expenditures, selected financial and demographic information, and amortization of long-term debt and selected investment portfolio data.

Conservation Trust Fund (CTF) – This fund provides funding that can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site. This fund gets its money from the Colorado Lottery.

Contingency – An account established for the purpose of meeting unanticipated requirements.

Cost Allocation Plan – A cost allocation plan is a financial model that identifies and distributes citywide indirect costs to benefiting departments. These indirect costs are those expenses that benefit multiple departments, programs, or activities. Examples of these indirect costs include Accounting, Human Resources, and Information Technology.

Debt Service – Payment of interest and principal on an obligation resulting from the issuance of bonds.

Development Authority – The Colorado Springs Downtown Development Authority, which has been created under Colorado Revised Statutes § 31-25-801 *et. seq.* to provide public facilities and service specific to an identified downtown area. DDAs have the authority to levy property taxes, issue debt and utilize tax increment financing (TIF).

Efficiency – A ratio between input (resources) and output (production).

Emergency Shelter Act Grant (ESG) – Federal grant funds dedicated for programs and activities which primarily benefit low and moderate-income families, individuals, and neighborhoods. Programs include but are not limited to housing rehabilitation, affordable housing development and preservation, human service activities, and capital improvement activities.

Enterprise Fund – A fund that pays for its costs of operations, predominantly from user fees, and does not generally receive property tax support.

Expenditure – The actual outlay of or obligation to pay cash.

FDC – Fire Department Complex

Fiscal Year – A 12-month period at the beginning of which the City implements a new budget based on expected revenue and expenditures and at the end of which the City determines its financial positions and the results of its operations. The City of Colorado Springs' fiscal year coincides with the calendar year January 1 through December 31.

Full-Time Equivalent (FTE) – 40-hour per week position on an ongoing basis that is specifically authorized for ongoing funding by classification in the annual budget. Two half-time positions equal one FTE.

Fund – A budgetary and fiscal accounting mechanism for designating a sum of money or other resources set aside for the purpose of providing services and achieving objectives in accordance with state and local laws, regulations, or other limitations. Each fund constitutes an independent budgetary, fiscal, and accounting entity.

Fund Balance – The balance remaining in a fund after expenditures have been subtracted from revenue.

Geographic Information System (GIS) – A computer-based mapping and analytical tool. GIS technology integrates common database operations such as query and statistical analysis with the unique visualization and geographic analysis benefits offered by maps. These abilities distinguish GIS from other information systems and make it valuable to a wide range of public and private enterprises for explaining events, predicting outcomes, and planning strategies.

General Fund – A fund used to account for all general purpose activities of the City supported by City taxes and other non-dedicated revenue such as license and permit fees, user charges, etc. This fund includes all traditional municipal expenditures such as Public Safety, Parks, and Transportation with the exception of those accounted for elsewhere.

General Improvement District (GID) – District created under Colorado Revised Statutes § 31-25-601 *et seq.* to finance public improvements in commercial or residential areas. GIDs are governed by City Council as their ex officio board. They ordinarily derive their revenue from a property tax, and they have the authority to issue debt.

General Obligation Bonds (GO Bonds) – These bonds are typically issued to finance government improvements benefiting the community as a whole and are secured by an unlimited tax levy of the issuer.

Gift Trust Fund – Donations made to the City by private individuals or businesses provide funding for the specific purpose designated by the donor.

Government Finance Officers Association (GFOA) – The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Grants Fund – Various grants as well as any anticipated interest earnings including SAFETEA-LU and FTA grant funds, among others, provide funding for grant activities as approved by City Council, plus interest earnings for those grants eligible to earn and spend interest income.

Highway Users Tax Fund (HUTF) – A State fund which receives revenue from the State-imposed excise taxes on gasoline and special fuels as well as various motor vehicle registration, title, and license fees and taxes.

Home Investment Partnership Act (HOME) – Federal grant funds dedicated for programs and activities which primarily benefit low and moderate-income families, individuals, and neighborhoods. Programs include but are not limited to housing rehabilitation, affordable housing development and preservation, human service activities, and capital improvement activities.

HOPE III – Federal grant funds dedicated for home ownership programs to benefit low and moderate-income families.

Human Services – These programs address emergency care and shelter, youth, and self-sufficiency services. The City currently funds these community programs with the City's General Fund and Community Development Block Grant (CDBG) funds.

Infrastructure – The underlying foundation or basic framework of the City's physical assets, buildings, roadways, etc.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to other City departments on a cost-reimbursement basis. The divisions include Fleet, Office Services, and Radio.

Key Measures – An indicator that measures the degree of accomplishment of a department's or division's mission. The major types are as follows:

- Output Measure - A quantity of work performed
- Efficiency Measure - A ratio of the amount of input (or cost) to the amount of output (or outcome)
- Outcome Measure - Events, occurrences, or conditions that indicate progress towards achievement of the mission and objectives of a program

Lease-Purchase Agreement – An agreement between the governmental agency and a private sector vendor to purchase or lease equipment or facilities rather than purchase them outright.

Level of Effort – The level of funding the City committed to maintain for public safety, transportation-related maintenance, and transit after the passage of the Public Safety Sales Tax (PSST) in November 2001 and the Pikes Peak Rural Transportation Authority (PPRTA) in November 2004.

Levy – The total amount of taxes, special assessments, or service charges imposed by a government.

Local Improvement District (LID) – District authorized under City Code (Chapter 3, Article 5) for the purpose of assessing certain properties in order to finance specified public improvements that benefit them. LIDs are component entities of the City and its budget.

Lodgers and Automobile Rental Tax (LART) Fund – Revenue resulting from the City's 2% lodging and 1% automobile rental tax are deposited into the LART Fund. Revenue not otherwise obligated may be used for the acquisition, construction, maintenance, and operation of public infrastructure or public improvements; which constitute, in part, visitor or tourist attractions. Revenue may also be appropriated for economic development activities as determined by City Council.

Lottery – See Conservation Trust Fund.

Memorial Health System Fund – Lease payments received from University of Colorado Health system provide funding to the City Health Foundation to address health issues in the City of Colorado Springs.

Metropolitan District – A district with two or more purposes created under Colorado Revised Statutes § 32-1-101 *et. seq.* for commercial or residential areas and chartered by a service plan approved by City Council. Subject to the service plan, metropolitan districts have broad potential authorities including the levying of property taxes, issuance of debt for public improvements, and operations and maintenance.

Mill – A mill is equal to one one-thousandth (1/1,000) of a dollar of assessed valuation of property.

Modified Accrual Basis of Accounting – A type of accounting which records revenue when measurable and available and expenses when the liability is incurred.

Objective – A desired result of a group of related activities performed by a department or division in which the achievement satisfies part or all of the department's or division's mission.

Old City Hall – Until December 1997, this facility was the location of the Municipal Court operations. Funding was obtained in 2000 to renovate this historic building for occupancy late in 2001. The building houses the City Council and the City Auditor's Office.

Operating Budget – The annual expenditures for the routine, ongoing activities and work program of a department or division as opposed to budgets which may also be established for capital projects, grant-funded projects, and other activities of a nonpermanent nature.

Outsourcing – Contracting with private companies to provide the same level of services while reducing personnel costs.

Overmatch Funding – The Pikes Peak Area of Council Governments (PPACG) engages in a process to prioritize projects for State and federal transportation funding; and in 2007, an overmatch component was added. Overmatch is funding in excess of the required match (typically 20%) that local communities are willing to put toward their high priority transportation-related projects. Because there is reduced state and federal funding available, competition for these funds is greater. In order to get the most projects with the available state and federal funds, PPACG now considers overmatch funds when determining where these dollars will be dedicated.

Pay-as-You-Go for Capital Improvements – A process in which capital improvements are paid from current revenue.

Permanent Funds – These funds account for assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations, or governmental units. Included in this category are non-expendable trust funds and agency funds.

POC – Police Operations Center

PPRDC – Pikes Peak Regional Development Center

Pikes Peak Rural Transportation Authority (PPRTA) – Authority approved by voters in November 2004, which resulted in a 1% sales and use tax increase effective January 1, 2005, for the City of Colorado Springs, the unincorporated areas of El Paso County, Manitou Springs, Green Mountain Falls, and the Town of Ramah to fund transportation capital projects and maintenance. In November 2012, Voters approved an extension of PPRTA to 2024. PPRTA may be also referenced as RTA throughout the Budget document.

Public Safety Sales Tax Fund (PSST) – On November 6, 2001, voters approved Ballot Question 4, which authorized a City of Colorado Springs Sales and Use Tax rate increase of 0.4% to be used to fund public safety operating and capital improvement needs.

Rebudgeted Revenue – The amount of revenue from the previous year due to the receipt of unbudgeted revenue and/or the receipt of revenue exceeding the budgeted amount.

Restricted Fund Balance – This represents the portion of fund balance that is subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties altogether outside the City such as creditors, grantors, contributors or other governments. Restrictions can also arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose.

Retailers Fee – The reimbursement for sales tax collections. This was budgeted for the first time in 2006 and is the result of an accounting change. This expenditure is offset by a matching increase in revenue. This is also referred to as the Vendors Fee.

Revenue – Money received by the City during the fiscal year, which includes taxes, fees, charges, special assessments, grants, and other funds collected that support the services the City provides.

Revenue Bonds – Bonds issued by a public agency authorized to build, acquire, or improve a revenue-producing property and payable out of revenue derived from such property.

RTA – See PPRTA.

Safe, Accountable, Flexible, Efficient Transportation Equity Act-Legacy for Users (SAFETEA-LU) – The federal and state governments provide grants to local governments for approved regional transportation-related projects such as bridge replacement, installation of additional traffic signals, road widening, etc. These grants usually award 80% of the total project cost - provided the City can fund the local 20% share. This program was originally authorized in 1996 and was called the Intermodal Surface Transportation Efficiency Act (ISTEA). It was then reauthorized as the Transportation Equity Act for the 21st Century (TEA-21) in 1998 and reauthorized again in 2004 as SAFETEA-LU.

Sales Tax Revenue Bonds – Those bonds issued to finance various capital improvement projects that have a definable revenue base. These bonds are secured by the City Sales Tax revenue.

Special District – A general term intended to encompass a variety of special purpose districts including but not limited to metropolitan districts, general improvement districts (GIDs), business improvement

districts (BIDs), limited improvement districts (LIDs), and special improvement maintenance districts (SIMDs).

Special Improvement Maintenance District (SIMD) – District authorized under City Code (Chapter 3, Article 7) formed primarily by developers and business owners to provide for maintenance of public improvements of general benefit to the residents or owners within their boundaries. Most SIMDs levy a property tax, and they cannot issue debt.

Springs Community Improvements Program (SCIP) – A capital improvements process implemented in 1998 that engaged citizens in identifying, prioritizing, and funding over \$110 million in infrastructure projects to improve the community.

Strategic Plans (previously known as the Strategic Action Plan) – The Mayor’s Strategic Plan is comprised of goals and objectives that set priorities for resource allocation, establishes policy guidelines, and provides governance direction. Also as directed in the City Charter, each year, City Council determines its areas of priority for the following year and provides them to the Mayor for consideration in the development of the municipal budget.

Street Tree Fund – Owner and developer fees collected at the time a building permit is issued along with a City match provide funding for a program to plant and care for new trees in previously underdeveloped lots.

Subdivision Drainage Fund – Fees charged to subdivision developers provide funding for the construction of storm sewers and other facilities in the designated subdivision for the drainage and flood control of surface water.

Surplus Utility Revenue – In accordance with the City Charter, surplus revenue generated by sales of electric and gas services inside the City shall be transferred to the City’s General Fund.

TABOR (Taxpayer’s Bill of Rights) – An amendment to the Colorado Constitution (also referred to as Amendment I) approved by voters in 1992 that essentially limits annual growth in local government revenue to the combined percentage change in the Denver/Boulder/Greeley Consumer Price Index (CPI) and the net change in the local property tax base due to new construction. Revenue received above and beyond the annual revenue cap established by TABOR must either be refunded to city residents or retained upon voter approval.

Tax Increment Financing (TIF) – Tax increment financing is a method of redistributing tax collections within a designated area to finance public infrastructure improvements within the specified geographic area. Infrastructure improvements may include upgraded on-site drainage systems, adjacent intersection/roadway capacity/pedestrian improvements, etc.

Trails, Open Space, Parks (TOPS) Initiative – The Trails, Open Space, and Parks (TOPS) revenue is generated from a 0.1% sales and use tax adopted by voters in April 1997, extended by voters in 2003, and set to expire in 2025. The majority of funds are designated for open space purchases and associated maintenance, development and maintenance of trails, and development and maintenance of parks.

Unrestricted Fund Balance –The GFOA recommended, at a minimum, that general-purpose governments, regardless of size, incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures. The City’s goal target range for General Fund Reserve – Unrestricted Fund Balance is 16.67 % to 25% of the following year’s expenditure budget. The target for the unrestricted General Fund balance would exclude the TABOR emergency reserves but include other categories of fund balance that are committed, assigned or unassigned.

User Fees – The payment of a fee for direct receipt of a public service by the person benefiting from the service.

Utilities Staff Share – The portion of a General Fund function, department, or unit cost chargeable to Colorado Springs Utilities.

Vendors Fee – See Retailers Fee.