

## GLOSSARY & ACRONYMS

**ALS** – Advanced Life Support

**ARB** – Architectural Review Board

**Appropriation** – The legal authority to spend money or enter into obligations to spend money under state law.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

**BLS** – Basic Life Support

**BPOL** – Business, Professional, and Occupational License Tax

**Balanced Budget** – The City adopts a balanced budget in which current expenditures for all funds are matched by current revenues or appropriated fund balances.

**Basis of Accounting** – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The measurement focus for governmental funds is current financial resources, whereby only current assets and current liabilities are generally included on the balance sheet. The enterprise funds are accounted for on a flow of economic resources measurement focus, whereby all assets and all liabilities are included on the statement of net assets. The different methods of accounting flow from these considerations.

**Modified Accrual** – for Governmental Funds, the revenues are recognized in the period in which they become measurable and available. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

**Full Accrual** – for Enterprise Funds, the revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to the receipt or disbursement of cash.

**Blight Abatement Fund** –

This fund accounts for the revenues, expenditures and other financing resources of the blight abatement program.

**CAMA** – Computer Aided Mass Appraisal

**CDA** – Community Development Authority

**CDBG** – Community Development Block Grant.

**CIP** – Capital Improvement Plan.

**COLA** – Cost of Living Adjustment

**CSA** – Children's Services Act.

**CRRL** – Central Rappahannock Regional Library

**CY** – Calendar Year January 1<sup>st</sup> – December 31<sup>st</sup>.

**Capital Fund** –The City procures major capital assets through capital funds. The capital funds are budgeted through the capital budget process. These funds include Public Education, Public Works, Public Facilities, Public Safety, Water, Sewer, and Transit. The City also created special capital funds to construct the new school buildings.

**Capital Projects Funds** – The Capital Projects Funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by Proprietary Funds or for assets held in trust for individuals, private organizations, or other governments. Capital Projects Funds include the following funds:

**Capital Improvements Plan** – The Capital Improvements Plan is a five-year listing of major capital projects by capital fund. The CIP does not appropriate funds, and may be re-evaluated and amended as conditions warrant.

**Capital Outlay** – Capital outlay represents spending on assets that generally last longer than one year and is over \$1,000 in value (exception: computer software). These are purchased through the capital outlay line items in the budget. Major capital assets, which are generally greater than \$75,000 and last longer than three years, will generally be budgeted through the capital budget process.

**Central Park Special Tax District Fund** – This fund accounts for the revenues, expenditures, and other financing resources of the Central Park Special Service District.

**Children's Services Act Fund** – This fund accounts for the Children's Services Act grant funds which provide assistance primarily for foster care and related services and the prevention of foster care. Services provided include education, housing, health and food. Funding is primarily from state grants and local match appropriations.

**Central Rappahannock Regional Library:** A regional library set up under an agreement in accordance with state law to serve the City of Fredericksburg, Stafford County, and Spotsylvania County. The CRRL also contractually serves Westmoreland County.

**City Council** – The City Council of the City of Fredericksburg is the legislative body that sets City laws and policies and oversees City operations. The City Council has seven members, including the Mayor, and are elected to staggered four-year terms. Regular meetings are held the second and fourth Tuesday of every month at 7:30 p.m. in City Hall, 715 Princess Anne Street.

**City Manager** – The City Manager is the chief executive officer of the City of Fredericksburg, and is appointed and serves at the pleasure of the City Council. The City Manager is responsible for developing the annual budget, and in overseeing the operations of the City.

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes

the same highest level action to remove or change the constraint.

**Compensation Board** – The Compensation Board of the Commonwealth of Virginia sets the state's compensation levels to local governments for Constitutional Officers, and also provides technical and other assistance to these officials in the performance of their duties. The City receives state assistance for the following offices from the **Compensation Board** – Commonwealth's Attorney, Clerk of the Circuit Court, Sheriff, Treasurer, and Commissioner of the Revenue.

**Constitutional Officers** – The Constitution of Virginia provides that cities and counties have certain offices that are elected by the citizens and serve terms of office. These officers are independent of the City Council; but their budgets are adopted and appropriated by the City Council. In the City, these offices include the Sheriff, the Clerk of the Circuit Court, the Commonwealth's Attorney, the Treasurer, the Commissioner of the Revenue, and the Voter Registrar.

**Contingency** – Contingency accounts are set aside in certain funds to meet unforeseen circumstances; in order to utilize contingency funds, the City Council must adopt a supplemental appropriation resolution.

**DEQ** – Department of Environmental Quality.

**DHCC** – Dorothy Hart Community Center.

**DSS** – Department of Social Services.

**Debt Service Funds** – Debt service funds are set aside to pay the principal and interest on debt owed by the City. Balances are not kept in the debt service accounts of the City; rather, funds are transferred in year-to-year from other funds based on the debt retirement schedules of the City.

**Depreciation** – Expiration in the service life of capital assets attributable to deterioration, inadequacy, and obsolescence. Depreciation of capital assets is charged in the City's enterprise funds. The depreciation charges are set based upon a schedule that varies depending upon the type of asset (e.g. buildings last longer than vehicles).

**EDA** – Economic Development Authority

**EDT** – Economic Development & Tourism

**EMS** – Emergency Medical Service

**EMT** – Emergency Medical Technician

**ERP** – Enterprise Resource Planning Software.

**Education Debt Service Fund** – This fund accounts for the accumulation of resources for, and the payment of, general long-term obligation debt principal, interest, and related charges for school debt.

**Encumbrance** – an obligation against City funds in the form of a purchase order or contract for goods that have not yet been delivered or services that have not yet been performed.

**Enterprise Fund** – Enterprise funds consist of City-owned utilities that are accounted for on an accrual basis similarly to most large business accounting. Unlike other governmental funds, depreciation is charged to capital assets in enterprise funds. The City currently has four major enterprise funds: Water, Sewer, Transit, and Parking.

**Enterprise Funds** – Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services. The Enterprise Funds consist of the following:

**Environmental Section Fund** – This fund accounts for the revenues, expenditures, and other financing resources for stormwater and other environmental purposes.

**FAMPO** – Fredericksburg Area Metropolitan Planning Organization.

**FCPS** – Fredericksburg City Public Schools.

**FY** – Fiscal Year – July 1<sup>st</sup> – June 30<sup>th</sup>.

**Fiduciary (Fiscal Agent) Funds** – These funds are funds that the City uses to account for resources that are held in trust for other

government agencies or programs. This is done primarily as a way to lower administrative overhead costs and ease operations for these agencies or programs. The City includes these funds in their budget resolution, and in the City's annual audit.

**Fiscal Year** – The City designates a twelve-month period for accounting and budgeting purposes. The City's Fiscal Year is July 1 – June 30. The second half of the fiscal year is named when abbreviated. For example, Fiscal Year 2008 (or FY 2008) encompasses the period July 1, 2007 to June 30, 2008.

**Forfeited Asset Sharing Program Fund** – This fund accounts for the revenues, expenditures, and other financing resources of the forfeited asset sharing program.

**Fund** – A fund is a balanced set of accounts. Government accounting information is organized into separate funds, each containing its own revenues, expenditures, and fund balances. Moving money from one fund to another requires a transfer.

**Fund Balance** – Fund balance is the balance remaining in a fund after all liabilities are subtracted from all assets for that fund. Positive fund balances may be designated for future use, left undesignated, or appropriated for subsequent expenditures. The City of Fredericksburg has a policy goal that the General Fund Undesignated Unreserved Fund Balance will not fall below 12% of the prior year's total General Fund revenues.

**GASB** – Government Accounting Standard Board.

**Gas Tax** – Gasoline Tax Revenue.

**General Fund** – The General Fund (Fund 100) is the main operations fund for the City, and accounts for all operations not accounted for in other funds. Most City operations, with the exception of Enterprise Funds) are accounted for in the General Fund. Funds are transferred from the General Fund to support other operational funds, including Public Schools, Social Services, and the Comprehensive Services Act Fund.

**General Fund** – The General Fund is the primary operating fund of the City and

accounts for and reports all revenues and expenditures applicable to the general operations of the City which are not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants. The General Fund is considered a major fund for financial reporting purposes.

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**General Obligation Bond Debt Service Fund** – This fund accounts for the accumulation of resources for, and the payment of, general long-term obligation debt principal, interest, and related charges.

**GF-SCH** – General Fund Assigned for School Capital.

**GIS** – Geographic Information System

**GO** – General Obligation Bonds. Debt secured by the City's pledge of its full faith and credit taxing authority.

**Governmental Fund** – The General Fund and most other funds for the City are called governmental funds and are accounted for on a modified accrual basis. This accounting method recognizes revenues in the period in which they become measurable and available. The focus is on the measurement of currently available financial resources. The major difference between governmental funds and enterprise funds is that capital assets are recognized as expenditures in the year in which the purchase is made rather than being accounted for as an asset and depreciated over time.

**Line Item** – Line items group expenditures by object purchased – for example, Professional Services – Engineering or Office Supplies.

**HVAC** – Heating, Ventilation, and Air Conditioning.

**Local Composite Index** – the Local Composite Index is the Commonwealth of Virginia's funding formula for state aid to local school districts. The formula measures the wealth of a community against the total population and school enrollment. Higher scores indicate that a community needs less school assistance; while lower scores indicate that a community needs more school assistance. The City of Fredericksburg's Local Composite Index score is high relative to other localities; and the City receives less state aid on a per pupil basis as a result.

**New Court Capital Fund** – This fund accounts for resources and expenditures for the renovation and improvements of the City's court facilities. Financing is provided by bond proceeds and transfers from the General Fund.

**Nonspendable Fund Balance** – Amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund).

**NPS** – National Park Service.

**OPEB** – Other Post-Employment Benefits

**Parking Fund** – The Parking Fund is an enterprise fund that has been created to account for the capital contributions and the operations of the Sophia Street Parking Garage, which opened in November 2005 in downtown Fredericksburg.

**PPEA** – Public - Private Education Facilities and Infrastructure Act of 2002.

**PF** – Public Facilities.

**PRE** – Parks, Recreation & Events.

**PRTC** – the Potomac and Rappahannock Transportation Commission. The City and several other jurisdictions are members of the PRTC, and as a result are able to charge a motor fuels tax of 2% of receipts. The motor fuels tax is dedicated first to the needs of the Virginia Railway Express and the

PRTC administration; the City may then use surplus amounts to meet transportation needs in the community.

**Program Change Proposal** – An internal City term for a major budget proposal more than \$10,000 in value that alters or could potentially alter service levels. These are reviewed by an internal committee of senior-level managers for recommendations on inclusion in the City Manager's Recommended Budget. Examples of a Program Change Proposals include new positions or new equipment. Replacing existing capital equipment, on the other hand, would not be considered through the Program Change Proposal process because it does not alter existing service levels.

**PS** – Public Safety.

**Public Facilities Capital Fund** – This fund accounts for the construction, renovation, and improvements of the City's buildings and facilities. Financing is provided primarily by investment earnings and transfers from the General Fund.

**Public Safety Capital Fund** – This fund accounts for the police and fire department projects. Financing is provided primarily by investment earnings and transfers from the General Fund.

**Public Works Capital Fund** – This fund accounts for resources and expenditures for the construction of and reconstruction of City streets, sidewalks, and bridges. Primary revenues consist of taxes, grants, and transfers from the General Fund.

**PW** – Public Works.

**R-Board** – Rappahannock Regional Landfill.

**RRJ** – Rappahannock Regional Jail – The regional jail facility that houses adult inmates either awaiting trial, in transition between facilities, or serving short sentences and not sent to state prison. The regional facility serves the City of Fredericksburg and the Counties of Stafford, Spotsylvania, and King George.

**Rappahannock Juvenile Detention Center** – The regional jail facility that houses juvenile

inmates awaiting trial, in transition between facilities, or serving short sentences and not sent to state prison. The regional facility serves the City of Fredericksburg and the Counties of Stafford, Spotsylvania, and King George.

**Resolution** – An official act of the City Council; the City adopts and amends its budget via resolution. Resolutions appropriating funds, such as budget resolutions, require two readings (or approvals) before taking effect.

**Restricted Fund Balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**SCADA** – Supervisory Control and Data Acquisition.

**SCH** – Fredericksburg City Public Schools

**School Bond Funded Capital Fund** – This fund accounts for resources and expenditures for school construction. Financing is provided by bond proceeds. The Fund is considered a major fund for financial reporting purposes.

**Special Revenue Fund** – Special revenue funds are used to account for special revenues requiring separate accounting because of legal or regulatory provisions or administrative action. Examples include grant funds and special tax district revenues.

**Special Revenue Funds** – Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds include the following funds.

**State, Federal and Local Grants Fund** – This fund accounts for revenues and expenditures of state, federal, and local grants which function on a reimbursement basis.

**Transfer** – Transfers move money between funds, between projects, or between line items. The City Manager has authority to

move funds between line item objects. The City Council transfers funds through an appropriation resolution between funds or between capital projects.

**Transit Fund** – The City Transit Fund supports the operations of the FREDericksburg Regional Transit System. The fund is largely supported by federal and state grant funds as well as contributions from local communities.

**Unassigned Fund Balance** – Amounts that are available for any purpose; positive amounts are only reported in the General Fund.

**VAC** – Vacuum

**VDEM** – Virginia Department of Emergency Management.

**VDOT** – Virginia Department of Transportation.

**VRE** – VRE stands for the Virginia Railway Express, which is a commuter rail service that serves the Washington, D.C. area. There are two service lines: one originates in downtown Fredericksburg and ends in Washington, while the other runs from Manassas to Washington.

**VRS** – VRS stands for the Virginia Retirement System, which is the statewide pension plan for state employees and local employees for localities that have joined the system. Both the City of Fredericksburg and the Fredericksburg City Schools are members of the VRS. The VRS sets retirement contributions as a percentage of salary every two years based upon an assessment of the City's retirement benefit liabilities and accrued system assets. For the Fredericksburg City Schools, these contribution rates are subject to General Assembly approval, as the state partially funds retirement benefits for school employees.

**Virginia Public Assistance Fund** – This fund accounts for the operations of the City's Department of Social Services. Funding is primarily from state and federal grants and local match appropriations.

**Wastewater Fund** – This fund accounts for income and expenses of the City-owned wastewater utility.

**Water Fund** – This fund accounts for income and expenses of the City-owned water utility.

**WWTP** – Wastewater Treatment Plant.

Balance Sheet  
Governmental Funds  
At June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 25,077,120	\$ 11,047,420	\$ 36,124,540
Receivables (net of allowances for uncollectibles):			
Property taxes	1,002,571	7,030	1,009,601
Accounts	120,204	-	120,204
Accrued revenue	304,581	121,925	426,506
Inventory, at cost	25,274	-	25,274
Prepaid items	324,087	1,767	325,854
Due from other governments	3,086,327	1,710,005	4,796,332
<b>Total assets</b>	<b>\$ 29,940,164</b>	<b>\$ 12,888,147</b>	<b>\$ 42,828,311</b>
<b>Liabilities:</b>			
Accounts payable	\$ 502,488	\$ 989,089	\$ 1,491,577
Accrued liabilities	1,245,206	292,771	1,537,977
Amounts held for others	919,565	-	919,565
Unearned revenue	72,817	376,625	449,442
<b>Total liabilities</b>	<b>\$ 2,740,076</b>	<b>\$ 1,658,485</b>	<b>\$ 4,398,561</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - property taxes	\$ 1,364,899	\$ 4,794	\$ 1,369,693
<b>Fund Balances:</b>			
Nonspendable	\$ 349,361	\$ 1,767	\$ 351,128
Restricted	-	100,000	100,000
Committed	7,214,757	6,270,150	13,484,907
Assigned	1,326,619	4,852,951	6,179,570
Unassigned	16,944,452	-	16,944,452
<b>Total fund balances</b>	<b>\$ 25,835,189</b>	<b>\$ 11,224,868</b>	<b>\$ 37,060,057</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 29,940,164</b>	<b>\$ 12,888,147</b>	<b>\$ 42,828,311</b>

The accompanying notes to the financial statements are an integral part of this statement.