CITY OF LANCASTER
GLOSSARY OF TERMS - GENERAL

**Accrual Basis Accounting** - A method of accounting in which revenues are recorded at the time they are earned and expenditures are recorded when goods are received or services performed.

**Agenda** - A listing of items that the Governing Body may take action on in a public meeting.

**Agency Fund** - A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another.

**Appropriation** – An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

**ASA** - Amateur Softball Association

**Assessed Valuation** - The value assigned to properties within the City, which is used in computing the property taxes to be paid by property owners. Under Prop. 13 Assessed Valuation is generally defined as the purchase price if purchased after 1975, adjusted upwards annually by a maximum of 2%.

**Audit** - An examination of the City's records by an independent firm to determine the accuracy and validity of records and reports and the conformity of procedures with established policy. A systematic collection of evidential matter needed to attest to the fairness of management's assertions in the financial statements. The General Accounting Standards Board (GASB) sets standards for financial reporting for units of government, which are referred to as Generally Accepted Accounting Principals (GAAP).

**AVTA** - Antelope Valley Transit Authority, a joint powers authority for the provision of bus services within Lancaster, Palmdale, and the surrounding unincorporated areas.

**AWOH** - Aerospace Walk of Honor Test Pilots Recognition Program

**AYSO** - American Youth Soccer Organization

**Balanced Scorecard (BSC)** – A system that identifies strategies to align and focus the activities of the organization to the mission and vision adopted by the City Council.

**Beginning Fund Balance** - Fund balance available in a fund from the end of the prior year for use in the following year.

**Benefit Assessment District** - A method of constructing improvements by issuing bonds and debt service being provided by levying assessments on property owners within the district.

**Bond** - A written promise to pay a specified sum of money (the principal) at a specified date or dates in the future, along with periodic interest at a specified rate.

**Budget** - The financial plan for the operation of a program or organization for the year (or other fiscal period).
**Budget Calendar** - The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

**Budget Document** - The official written statement prepared by the Finance Department and supporting staff that represents the proposed budget to the legislative body.

**CAFR - Comprehensive Annual Financial Report** - An annual report prepared by the Finance Department that provides the status of the City's finances on a GAAP basis. This includes the Independent Financial Audit Report as well as other statistical and informative data. This award-winning document is prepared according to guidelines set forth by GFOA and CSMFO.

**California Environmental Quality Act (CEQA)** - The statutes contained in Sections 21000-21177 of the Public Resources Code of the State of California that establish the requirements for evaluating the environmental effects of proposed projects. The administration of CEQA is governed by the State CEQA Guidelines.

**California Society of Municipal Finance Officers (CSMFO)** - A non-profit professional association serving the government finance professionals throughout the State of California.

**CALSTART** - A state-wide non-profit consortium of businesses and government agencies dedicated to developing an innovative transportation industry to develop alternative fuel vehicles and infrastructure.

**CalTrans** - California Department of Transportation, in charge of all regional, state, and federal roadways.

**Capital Outlay** - Expenditures for furnishings, equipment, vehicles, or machinery that results in the acquisition of assets with a useful life of more than one year, and has a cost in excess of $200.

**Capital Improvement Budget** - A plan of proposed capital expenditures for the year and the means of financing them. The capital budget is enacted as part of the complete annual budget, which includes both operating and capital outlays. Capital project budgets are adopted at the time the project is authorized and continue until completion that, due to the nature of these improvements, may take several years.

**Capital Improvement Project** - The largely one-time cost for acquisition, construction, improvement, replacement, or renovation of land, structures, and improvements thereon.

**Capital Improvement Projects Fund** - A fund created to account for financial resources to be used for the acquisition and/or construction of major capital facilities.

**Cash Basis Accounting** - A method of accounting in which revenues are recorded when received in cash and expenditures are recorded when paid.

**CFC** - California Film Commission

**CHAG** - City Hall Art Gallery, a small art gallery within city hall.
CIC - Career Information Center

CMP - Congestion Management Program, designed to reduce traffic congestion throughout the state.

CRA - Community Redevelopment Agency

CSTI - California Specialized Training Institute trains government employees in many phases of handling various emergencies such as floods, fires, earthquakes, etc.

Code Red – The Code Red System allows for ultra high-speed emergency communications to residents and businesses as well as a mechanism to give instructions and information to targeted groups in the community.

Conditional Use Permit - A permit, approved by either the Planning Commission or City Council of the City of Lancaster, which allows a land use to be established and operated on a particular piece of property under a specific set of requirements or conditions.

Debt - An obligation resulting from the borrowing of money, or the purchase of goods or services.

Debt Service - The annual payment of principal and interest on the City's bonded indebtedness. Bonds are issued to finance the construction of capital projects such as utility facilities and expansion.

Debt Service Fund - A fund established to account for the accumulation of resources for, and the payment of, debt principal and interest.

Department - An organization unit comprised of divisions or programs. It is possible for a department to be comprised of only one division.

ESSCO - Employee Assistance Program - A contract providing employees and their families confidential assistance with problems that are non-job related but may adversely impact the employee on the job.

Employee Wellness Program - A Citywide employee-driven program designed to provide information and activities promoting good physical and mental health.

Encumbrances - The amount of funds actually committed to vendors for goods or services received or to be received by the City as specified in a City purchase order. Encumbrances may be carried forward into the next fiscal year.

Enterprise Fund - A fund in which the services provided are financed and operated similarly to a private business.
**Environmental Impact Report (EIR)** - A detailed statement prepared under CEQA describing and analyzing the significant effects of a project and discussing ways to lessen or avoid the effects. The contents of an EIR are discussed in Article 9, beginning with Section 15120 of the State CEQA Guidelines.

**ERAFF – Educational Revenue Augmentation Fund** - The shift of local property tax revenues from cities, counties and special districts to the state for redistribution to the school system. Proposition 98 guaranteed schools 60% of the State General Fund revenues; by creating this mechanism, the State was able to shift some of the cost of schools to the cities, counties and special districts, leaving more dollars for the State to spend and less at the local level.

**Estimated Revenue** - The amount of projected revenue to be collected during the fiscal year.

**Expenditure** - Actual spending of funds in accordance with budgeted appropriations.

**Fees** - Charges for services levied by the government to recover costs associated with providing a service, or permitting an activity. Major types of fees include construction, recreation, and planning fees.

**FEMA** - Federal Emergency Management Agency for emergency preparedness training.

**Fiscal Year** - A twelve-month period used for budgeting, accounting, or tax collection purposes. The City of Lancaster operates on a July 1 through June 30 fiscal year.

**FPPC** - Fair Political Practices Commission, State appointed commission to establish and enforce election guidelines.

**Franchise Tax** - A tax charged for the privilege of using public rights-of-way and property within the City for public or private purposes. The City charges franchise taxes to natural gas, electricity, cable television and solid waste.

**FTE** - Full-time equivalent employee; 2080 hours in a year.

**Fund** - An accounting concept used to separate or subdivide the financial activity of a city for legal and managerial purposes. All financial activity of a municipality must be classified in relation to a fund. The City's budget consists of a general fund, special revenue funds, debt service funds, capital project funds, and fiduciary funds.

**GAAP** - Generally Accepted Accounting Principles are uniform, minimum standards used for accounting and reporting for both private industry and governments. The Governmental Accounting Standards Board currently sets government GAAP.

**GASB** - Governmental Accounting Standards Board is the current standards-setting board for governmental GAAP.

**GAVEA – Greater Antelope Valley Economic Alliance**
**General Plan** - The comprehensive plan, required by Section 65300 of the Government Code of the State of California, that contains the goals, objectives, policies, and specific actions that guide the long-term development and operation of the City of Lancaster.

**GFOA - Government Finance Officers Association of the United States and Canada** - A non-profit professional association serving 12,650 government finance professionals throughout North America.

**Grant** - A contribution from one government unit to another or from a non-profit organization, usually made for a specific purpose and time period.

**Intergovernmental Revenue** - Revenue from other governments, primarily shared State revenue from gasoline taxes and vehicle-in-lieu taxes.

**Internal Control** - The system of controls established by the City to protect the assets from misappropriation and ensure accurate reporting of financial transactions.

**Investment Policy** - A written, and Council adopted policy delineating permitted investments of the City's idle cash. The City of Lancaster's Investment Policy is typically updated and reaffirmed annually.

**LAIF** - Local Agency Investment Fund - State Treasurer’s Investment Pool of funds from local jurisdictions to take advantage of the State Treasurer’s investment expertise.

**LASD** - Los Angeles County Sheriff's Department provides law enforcement services to the City of Lancaster under a general services agreement. The LASD provides enforcement of local, state and federal statutes.

**Licenses and Permits** - Revenue category that includes building permits and any other miscellaneous license.

**LMAG** - Lancaster Museum/Art Gallery

**LNSC** - Lancaster National Soccer Center

**LPAC** - Lancaster Performing Arts Center

**MOU** - Memorandum of Understanding, a formalized agreement of processes, results, or operating criteria between two or more entities.

**MTA** - Metropolitan Transit Authority, administers transportation funds in Los Angeles County.


**Negative Declaration** - A written statement by the City of Lancaster briefly describing the reasons that a proposed project will not have a significant effect on the environment and therefore does not require the preparation of an EIR. The contents of a Negative Declaration are described in Section 15071 of the State CEQA Guidelines.
Objectives - Identifies the desired results of the activities of a program.

OPA - Owner Participation Agreement, a program through the Redevelopment Agency to assist property owners develop a project.

Operating Budget - An operational plan, expressed in financial terms, by which a program is funded. It includes: (1) the departmental function; (2) the services provided; and (3) current year resources and funding allocation.

Ordinance - A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution. A law set forth by a government authority, specifically, a municipal regulation. An Ordinance takes longer to enact than a resolution.

PERS - Public Employees Retirement System provided for government employees within the State of California. Each government agency may contract with PERS if they wish, not all belong.

Personnel Expenses - Salary and fringe benefits such as pensions and insurance for full time, part-time and limited contract employees of the City.

Preliminary Budget - The recommended and unapproved City budget submitted by the City Manager to the City Council and the public.

Program - A division of a department that specifies a group of activities.


Proposition A - A countywide sales tax of 1/2% approved by the voters in 1980 for use in transit projects.
Proposition C - A countywide sales tax of 1/2% approved by the voters in 1990 for use in transit projects.

PSAHC - Public Safety Ad Hoc Committee

Reserved Fund Balance - A portion of the fund balance that is not reappropriated as a source of funds. In the General Fund, it is the city's formal policy to maintain a minimum of 10% of annual budgeted expenditures as a reserved fund balance.

Revenue - Funds received by the city as income, including tax payments, licenses and permits, fees for specific services, receipts/reimbursements from other governmental entities, fines and forfeitures, grants, and investment income.

Revenue Estimate - A formal estimate of how much revenue will be earned from a specific revenue source for some future time period.

RFP - Request for Proposals, similar to a bid but used when the desired product or service is not fully quantifiable, such as ‘design a computer network’.

RFQ - Request for Qualifications, a process whereby professional services are solicited where the product or service requires substantial assistance to define; example would be when soliciting for architectural services for a baseball stadium.

Sales and Use Tax - A tax imposed on the sale or use of all tangible personal property. The City's tax is 1%; additionally 6% goes to the State, 1/4% to the county, and two county transportation levies of 1/2% bring the total to 8.25%.

SCAG - Southern California Association of Governments, an association of government leaders who endeavor to improve the local governing process.

SCMAF - Southern California Municipal Athletic Federation

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 requires governments to have one audit performed to meet the needs of all Federal grantor agencies, thus reducing the overall costs of audits.

SMIRP - Substandard Mobilehome Inventory Replacement Program

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

SRRE - Source Reduction and Recycling Element

Substandard Mobilehome Inventory Replacement Program (SMIRP) - This one-time grant is to assist low and very low-income owner/ occupants of substandard mobile homes and trailers to replace the substandard unit with new manufactured housing.

TAC - Technical Advisory Committee
**Target Oriented Policing (TOP)** - Funds set aside for the specific directed law enforcement designed to immediately and administratively direct law enforcement efforts to specific needs.

**Tax Increment** - As the redevelopment plan is implemented, the improvements will result in an increase in property values within the project area. However, these increases in value will not result in increased taxes to individual property owners, unless there is a change in ownership or new construction (in other words, Proposition 13 still applies). The increases in value due to the changes in ownership and new construction will increase the tax revenues generated by the property. This increase in tax revenue is known as “tax increment”. For example, if property was assessed at $100,000 this year the taxes paid by the property owner at the standard tax rate of one percent would be $1,000 pursuant to Proposition 13. If, as a result of new construction on the property, the property increases in assessed valuation to $500,000, the taxes paid by the property owner at the same standard rate would be $5,000. The $4,000 increase is called “tax increment” and it is these funds that can become the revenue of the agency.

**Taxes** - Compulsory charges levied by a government to finance services provided for the common benefit.

**Tax Rate** - The amount of real property tax levied for each $1,000 assessed valuation. This rate is limited in California by Article XIII of the State Constitution to 1% of assessed valuation plus voter approved overrides for indebtedness.

**User Fees/Charges** - A fee or charge for receipt of a service by the user who benefits from using the service.

**USP - Urban Structure Program** - A computerized fiscal model that calculates the development fees for proposed projects based on the estimated costs and revenues the project will create to the City. The intent of the Urban Structure Program is to implement Objective 15.3 of the City of Lancaster General Plan by ensuring that new development pays for the costs of providing services and infrastructure needed to serve that development. This program has won the GFOA Award of Excellence award in 1996, as well as the Helen Putnam Award.

**USSSA** - United States Slowpitch Softball Association

**WHM** - Western Hotel Museum

**Zoning Ordinance** - The adopted ordinance of the City of Lancaster that establishes the allowed uses, development standards, and the procedural and administrative requirements related to them for all property within the City. The purpose of the Zoning Ordinance is to implement the City's adopted General Plan.