

## **GLOSSARY OF TERMS**

**ABATEMENT** – An official reduction or elimination of one’s assessed valuation after completion of the original assessed value.

**ACCRUAL ACCOUNTING** – A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

**AD VALOREM** – A tax levied in proportion to the value of the property being taxed.

**AGENCY FUNDS** – One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets = liability). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

**APPROPRIATION** – An authorization granted by a legislative body to make expenditures and incur obligations for specific purposes. Appropriations are usually limited in amount and to the time during which they may be expended.

**ASSESSED VALUE** – The fair market value placed upon real and personal property by the City as the basis for levying property taxes.

**BARGAINING UNITS** - A group of employees which, by reason of the similarity of their jobs, form a unit appropriate for bargaining with management on questions of wages, benefits and working conditions.

**BASIS OF ACCOUNTING** – The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

**BOND RATINGS** – A rating of quality given on any bond offering as determined by an independent agency in the business of rating such offerings.

**BUDGET** – A plan of financial operation containing an estimate of proposed expenditures for a single fiscal year (July 1 through June 30) and the proposed means of financing them.

**BUDGET CALENDAR** – The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

**BUDGET DOCUMENT** – The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

**CAPACITY IMPROVEMENT MULTIPLIER (CIM)**-Calculation by taking the current net book value of assets of the total system (Water system or Sewer system) divided by the sustainable system capacity in equivalent dwelling unit (the amount of water used by a typical single residence).

**CAPITAL IMPROVEMENT PLAN (CIP)** – A six-year plan of proposed capital expenditures for long-term improvements to the City’s facilities including, water, sewer,

parking facilities etc.; identifies each project and source of funding.

**COMMITTED FUND BALANCE** – Amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** – An annual Federal grant received from the Department of Housing and Urban Development. It is primarily used for housing rehabilitation and other grant eligible activities.

**COMPENSATED ABSENCES** – An accrued employee’s right to receive compensation for future absences attributable to service already rendered (i.e.: vacation and sick leave).

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** – An annual financial report presented in three sections: introductory, financial and statistical.

**CONSUMER PRICE INDEX (CPI)** – A measure, calculated by the United States Department of Labor, commonly used to indicate the rate of inflation.

**CONTINGENCY** – A budgetary reserve set aside for emergencies or unforeseen expenditures for which no other budget exists. General Fund use of the contingency may only be approved by the City Council.

**CONTRACTUAL OBLIGATIONS** – The costs related to obligations performed for the City by individuals, businesses, or utilities.

**DEBT SERVICE** – The payment of interest and principal to holders of the City’s debt instruments.

**DESIGNATED FUND BALANCE** – Funds that have been selected and assigned for a specific purpose.

**DESIGNATED UNRESERVED FUND BALANCE** – Portion of unreserved fund balance that management would prefer to use available financial resources for a specific purpose.

**ECONOMIC DEVELOPMENT COMMISSION (EDC)** – A commission committed to ensuring the continued economic prosperity and preservation of the qualities that attract and retain businesses in the community.

**ENTERPRISE FUNDS** – Account for the financing of services to the general public whereby all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Enterprise Funds consist of the Water Fund and the Sewer Fund.

**EQUALIZATION RATIO** – Indicates the relationship between assessed value and market value. This ratio is determined for each municipality every year by the NH Department of Revenue Administration through a study of the qualified sales that occurred within the municipality during the previous year.

**EQUALIZED VALUE** – Assessed value calculated by the state to ensure that property under its jurisdiction is appraised equitably at market value.

**EXPENDITURE** – Actual outlay of monies for goods or services.

**FIDUCIARY FUNDS** – A category of funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own program.

**FISCAL YEAR** – A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and result of its operations. The fiscal year for the City of Portsmouth begins July 1 and ends on June 30.

**FUND** – An independent fiscal and accounting entity which a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities that are segregated for the purpose of carrying on specific activities.

**FUND BALANCE** – The excess of an entity’s assets over its liabilities also known as excess revenues over expenditures or net assets. A negative fund balance is sometimes called a deficit.

**FUND BALANCE POLICY** – Policy to maintain fund balance at a predetermined target level.

**GENERAL OBLIGATION BOND** – A bond for which the full faith and credit of the City is pledged for payment.

**GOALS** – Statements of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

**GOVERNMENT FINANCE OFFICER’S ASSOCIATION (GFOA)** - A private, nonprofit organization which has actively supported the advancement of governmental accounting, auditing and financial reporting since 1906.

**GOVERNMENTAL FUND TYPE** – Governmental accounting includes eight types of funds: general, special, debt service, capital, enterprise, internal service, trust, and agency. These types are indicative of accounting procedures to be used and the function of each type.

**INFRASTRUCTURE** – The basic facilities, equipment, services, and installations needed for the growth and functioning of a country, community, or organization.

**LEAVE AT TERMINATION** – Accumulated earned leave owed to employees when they leave municipal service.

**LINE-ITEM** – Separate listing of each expenditure category along with the dollar amount budgeted for each.

**MISSION STATEMENTS** – Broad, general statements which summarize the aims and values

of an organization.

**MODIFICATION FACTOR (MOD FACTOR)** – The mod factor is used when determining workers compensation premiums. The mod factor is a value that compares the claim profile of the employer to the claim profile that would be expected of an employer of similar size payroll in the same in the same industry. A value of 1.00 is average, meaning the frequency and severity of actual losses equaled the expected losses. A mod factor greater than 1.00 means the employer experienced worse than expected losses during the rating period, and a mod factor of less than 1.00 indicates the employer’s losses were better than expected for the rating period.

**MODIFIED ACCRUAL ACCOUNTING** – A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable and expenditures are recognized in the accounting period in which the fund liability is incurred.

**MUNICIPAL SERVICE AGREEMENT** – An agreement between the City of Portsmouth, the Town of Newington and the Pease Development Authority to provide municipal services in the airport district of the Pease Development Authority.

**NET POSITION** – The residual of all other financial statement elements presented in a statement of financial position.

**NON-OPERATING BUDGET** – Expenditures that are not directly attributed to the day to day operations of any one particular department: TANS, Debt Services, Contingency, Overlay, County Tax, Capital Outlay.

**OBJECTIVES** - The goal intended to be attained (and which is believed to be attainable) by the City of Portsmouth.

**OPERATING BUDGET** – Expenditures that are directly attributed to the day to day operations of a particular department: Salaries, Benefits, Supplies, Utilities, etc.

**OVERLAY** – An appropriation to fund potential tax abatements.

**PEASE DEVELOPMENT AUTHORITY (PDA)**– A body politic and corporate of the State of New Hampshire located in Rockingham County, New Hampshire.

**PERFORMANCE MEASURE** – An indicator of the attainment of an objective; it is a specific quantitative measure of work performed or services provided within an activity or program, or it may be a quantitative measure of results obtained through a program or activity.

**PROPOSED BUDGET** – The operating and capital budgets submitted to the City Council by the City Manager.

**RESERVE FOR DEBT** – Account where retained earnings are set aside to satisfy outstanding debts.

**RESERVE FOR PROPERTY APPRAISAL** – Account where retained earnings are set aside

to cover property appraisals.

**RESTRICTED NET POSITION**- One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow of resources relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability/deferred inflow of resources or if the liability will be liquidated with the restricted assets reported.

**RETAINED EARNING**- The accumulated equity balance in an enterprise or internal service fund resulting from operations over the years. This is the difference between fund assets and fund liabilities.

**REVENUE** – The income received by the City in support of a program of services to the community; includes such items as property taxes, fees, user charges, grants, fines, interest income and miscellaneous revenue.

**REVISED STATUTES ANNOTATED (RSA)** – The State of New Hampshire’s statutes.

**ROLLING STOCK** - The equipment available for use as transportation, such as vehicles owned by the City of Portsmouth.

**SPECIAL REVENUE FUND** – A fund used to account for the proceeds of specific revenues that are legally restricted to expenditure for specific purposes.

**SUSTAINABILITY** – Development which meets the needs of the present without compromising the ability of future generations to meet their own needs; to the use of ecosystems and their resources in a manner that satisfies current needs while allowing them to persist I the long term.

**TAX LEVY** - Taxes that are imposed and collected.

**TAX RATE** – The amount of tax levied for each \$1,000 of assessed value.

**UNASSIGNED FUND BALANCE** – A fund balance that has not been selected or assigned to a specific purpose.

**UNRESTRICTED NET POSITION** – One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).

**URBAN DEVELOPMENT ACTION GRANT (UDAG)** – An economic development initiative established by the US Department of Housing and Urban Development (HUD) in the early 1980’s whose goals were to establish public/private partnerships that would stimulate economic development in communities’ downtown districts.

**USER FEES** – The payment of a fee for direct receipt of a public service by the person benefiting from the service.

## ABBREVIATIONS/ACRONYMS

**ACO** – Animal Control Officer  
**ADA** – Americans with Disability Act  
**AMR** – Automated Meter Reading  
**ARRA** – American Recovery and Reinvestment Act  
**BAF** – Biologically Aerated Filters  
**BFC** – Bicycle Friendly Community  
**BIS** – Bureau of Investigated Service  
**CAFR** – Comprehensive Annual Financial Report  
**CAMA** – Computer Aided Mass Appraisal  
**CBC** – Central Business District  
**CBERN** – Chemical, Biological, Explosive, Radiological, Nuclear  
**CDBG** – Community Development Block Grant  
**CDP** – Community Diversion Program  
**CFAI** – Commission on Fire Accreditation International  
**CIM** – Capacity Improvement Multiplier  
**CIP** – Capital Improvement Plan  
**COAST** – Cooperative Alliance for Seacoast Transportation  
**COLA** – Cost of Living Adjustment  
**CPI** – Consumers Price Index  
**CPI-U** – Consumer Price Index-Urban  
**CSO** – Combined Sewer Overflow  
**DAF** – Dissolved Air Flootation  
**DES** – Department of Environmental Services  
**DOT** – Department of Transportation  
**ECC** – Emergency Communications Center  
**EDC** – Economic Development Commission  
**EMO** – Emergency Management Office  
**EMS** – Emergency Medical Services  
**EMT** – Emergency Medical Technician  
**EPA** – Environmental Protection Agency  
**ERZ** – Economic Revitalization Zones  
**FEMA** – Federal Emergency Management Agency  
**FICA** – Federal Insurance Contribution Act  
**FMLA** – Family and Medical Leave Act  
**FOG** – Fats, Oil, and Grease  
**FS** – Family Services  
**FTE** – Full time equivalent  
**FTO** – Field Training Officer  
**FTZ** – Foreign Trade Zone  
**FY** – Fiscal Year  
**GAAP** – Generally Accepted Accounting Principals  
**GASB** – Government Accounting Standards Board  
**GFOA** – Governmental Finance Officers Association  
**GIS** – Geographic Information Systems  
**GMR** – Guaranteed Maximum Rate  
**GPTMA** – Greater Portsmouth Transportation Management Association

**GSA** – General Services Administration  
**HDC** – Historic District Commission  
**HM** – Hazardous Materials  
**HR** – Human Resources  
**ISO** – Insurance Service Officer  
**IT** – Information Technology  
**IBPO** – International Brotherhood of Police Officers  
**ICMA** – International City Managers Association  
**JBC** – Joint Budget Committee  
**LEED** – Leadership in Energy and Environmental Design  
**LGC** – Local Government Center  
**LTCP** – Long Term Control Plan  
**MAAP** – Municipal Agent Automation Project  
**MAN** – Metropolitan Area Network  
**MOD** – Modification factor  
**MPO** – Metropolitan Planning Organization  
**NECHPS** – Northeast Collaborative for High Performance Schools  
**NFPA** – National Fire Protection Association  
**NHDOT** – New Hampshire Department of Transportation  
**NHFSTFF** – New Hampshire Fire Standards & Training Fire Fighters  
**NHRS** – New Hampshire Retirement System  
**NOAA** – National Oceanic and Atmospheric Administration  
**NPDES** – National Pollutant Discharge Elimination System  
**OCLC** – Online Computer Library Center  
**OU-2** – Operable Unit 2  
**PEDLP** – Portsmouth Economic Development Loan Program  
**PDA** – Pease Development Authority 2  
**PHS** – Portsmouth Historical Society  
**PIWWTF** – Peirce Island Wastewater Treatment Plant Facility  
**PMA** – Professional Management Association  
**PNSY**- Portsmouth Naval Shipyard  
**PULA**- Public Undeveloped Lands Assessment  
**RFQ** – Request For Qualifications  
**RFP** – Request For Proposal  
**RSA** – Revised Statutes Annotated  
**SAG** – State Aid Grant  
**S&P** – Standard & Poor’s  
**SCADA** – System Control and Data Acquisition  
**SIPP** – Save the Indoor Portsmouth Pool  
**SMA** – Supervisory Management Alliance  
**SRF** – State Revolving Fund  
**SRO** – School Resource Officer  
**SWEPT** – Statewide Education Property Taxes  
**TCP/IP** – Transmission Control Protocol/Internet Protocol  
**UDAG** – Urban Development Action Grant  
**WFC** – Walking Friendly Community  
**WMP** – Wastewater Master Plan  
**WWTF** – Wastewater Treatment Facility

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