Account Number
The numeric coding for the City's accounting system. It provides the shorthand method of classifying and recording balances and transactions for City operations. The City uses a fourteen (14) digit account number with four main parts:

1st four digits -- Fund
Next two digits -- Department
Next three digits -- Division
Last five digits -- Object/Account

Accrual Basis of Accounting
The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

Acronyms

ADA: Americans with Disabilities Act
BID: Business Improvement District
CAFR: Comprehensive Annual Financial Report
CCHD: City County Health Department
CTEP: Community Transportation Enhancement Program
CDBG: Community Development Block Grant
CIP: Capital Improvements Program
CMATP: Central Montana Ag Technology Park
COPS: Community Oriented Policing Grant
DDACTS: Data Driven Approach to Crime and Traffic Safety
DEQ: Department of Environmental Quality
DNRC: Department of Natural Resources and Conservation
DTGFA: Downtown Great Falls Association
EPA: Environmental Protection Agency
ECP: Electric City Power Inc.
EMS: Emergency Medical Services
ERS: Equipment Revolving Schedule
FAA: Federal Aviation Administration
FHWA: Federal Highway Administration
FTE: Full Time Equivalent
FRS: Facility Revolving Schedule
GAAP: Generally Accepted Accounting Principals
GASB: Governmental Accounting Standards Board
GFDA: Great Falls Development Authority
GFOA: Governmental Financial Officers Association
GO Bonds: General Obligation Bonds
HIDTA: High Intensity Drug Trafficking Area
**HOME Grant:** U.S. Department of Housing and Urban Development’s HOME Investment Partnership Program

**HUD:** Housing and Urban Development

**IAFF:** International Association of Fire Fighters

**ICMA:** International City Managers Association

**MACI:** Montana Air and Congestion Initiative

**MAFB:** Malmstrom Air Force Base

**MANG:** Montana Air National Guard

**MCA:** Montana Code Annotated

**MDT:** Montana Department of Transportation

**MLCT:** Montana League of Cities and Towns

**MMIA:** Montana Municipal Interlocal Authority

**MPEA:** Montana Public Employees Association

**OCCGF:** Official Code of the City of Great Falls

**PRIMA:** Public Risk Management Association

**SDWA:** Safe Drinking Water Act

**SID:** Special Improvement District

**SILD:** Special Improvement Lighting District

**SLD:** Special Lighting District

**SMLD:** Special Maintenance Lighting District

**SRF:** State Revolving Fund from the State of Montana DNRC

**TBID:** Tourism Business Improvement District

**TID:** Tax Increment District

**Ad Valorem Tax**

A tax based on value of property and used as the source of monies to pay general obligation debt and to support the general fund.

**Amended Budget**

The original budget including any budget amendments for the fiscal year not completed at the time of budget development.

**Appropriation**

Expenditure authority with specific limitations as to the amount, purpose, and time, set by the City Commission through statutorily prescribed procedures.

**Appropriated Fund Balance**

A portion of existing fund balance that is incorporated into the subsequent year’s budget to “balance” expected expenditures in excess of expected revenues.
**Balanced Budget**
A budget in which expenditures for a given period are matched by expected revenues for the same period.

**Basis of Budgeting**
Method used to determine when revenues and expenditures are recognized for budgetary purposes.

**Beginning Balance**
The funds brought forward from the previous fiscal year (ending balance).

**Bond**
A written promise to pay a sum of money on a specific date at a specified interest rate. The most common types of bonds are general obligation, revenue bonds, and special improvement district bonds. These are most frequently used to finance capital projects.

**Bond Anticipation Notes**
Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The note is retired from proceeds of the bonds to which it is related.

**Budget**
A financial plan for the control of government operations. A budget primarily focuses on available reserve, revenue, and expenditure estimates as the means of control.

**Budget Adjustment**
A procedure to revise a budget appropriation either by City Commission approval or by City Manager authorization to adjust appropriations within a departmental budget.

**Budget Columns**
The Budget Detail Section presents budget information in columns as follows:
- Actual – Historical data from the last completed fiscal year for comparison purposes.
- Adopted Budget – The original budget adopted by the City Commission for the corresponding fiscal year.
- Amended Budget – The original budget including any amendments for the fiscal year completed at the time of budget development.
- Projected Amount as of 5/25/2018 – Projected revenues and expenditures for the fiscal year at the time of budget development. These figures have not been audited.
- Adopted Budget (Manager Proposed in Proposed Budget) – The official budget adopted by the City Commission after public work sessions and formal hearings on the proposed budget. (In the Proposed Budget, the recommendation is from the City Manager to the City Commission.)
**Capital Budget**  
A capital budget is an integral part of each fund’s annual budget. The City Commission prioritizes capital expenditure proposals and approves appropriations for those which can be done with available resources. Capital budgets are typically set for projects such as streets, buildings, major renovations, and major equipment.

**Capitalized**  
Tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital outlay items normally include operating equipment which will last longer than one year and has an initial cost per item of at least $5,000.

**Capital Improvement Program**  
A long-term plan for scheduling capital outlays and capital projects as needed for on-going operations and efficiency.

**Component Unit**  
Legally separate organization that must be included in the financial report of the primary government.

**Debt Service**  
Paying back, with interest, the money borrowed by the City. Debt service is typically paid according to a schedule of payments set at the time of the borrowing.

**Department**  
A grouping of City divisions assigned to a single department head for administrative purposes.

**Depreciation**  
Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

**Disbursement**  
A payment of cash. A disbursement is typically the final step in the expenditure process.

**Distinguished Budget Presentation Awards Program**  
A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**Division**  
A basic organizational unit of the City which is functionally unique in its delivery of services. Divisions are the individual businesses or business segments which make up the City.
Encumbrance
Commitments of funds against an appropriation until such time as the goods or services are received. An encumbrance may be in the form of a purchase order or a contract.

Expenditures
Disbursements and obligations to pay for goods or services which have been received by the City. Obligations to pay are the accrued part of expenditures.

Fiscal Year
State statute mandates a twelve month accounting year from July 1 through June 30.

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

Floating Mills
MCA 15-10-420 states “The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, …” This is termed floating mills.

Full-Time Equivalent
A measure of effective authorized positions, indicating the percentage of time a position or group of positions are funded. It is calculated by equating 2,080 hours of work per year with the full-time equivalent of one position.

Fund
A fiscal and accounting entity with a self-balancing set of accounts. A fund can be thought of as a separate, complete business.

Fund Accounting
The fund accounting hierarchy provides for the fund groupings of Governmental and Proprietary funds

Governmental Funds
  General Fund
Account for all revenues and expenditures of the City which are not accounted for in other funds. The General Fund includes police, fire, court, parks, general administration and the City Commission. The intent is to clearly identify dependency on City general-purpose revenues.
Special Revenue Funds
Account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes other than trusts or capital projects.

Debt Service Funds
Account for the special financing and disbursement for general long-term debt.

Capital Project Funds
Account for financial resources to be used for the acquisition or construction of major capital facilities, other than trust or enterprise capital projects.

Fund Balance
The difference between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reserved fund balance is simply to isolate the portion of fund balance that is not available for the year’s budget, so that unreserved fund balance can serve as a measure of current available financial resources.

Fund Balance Policy
Policy to maintain fund balance at a predetermined target level.

Generally Accepted Accounting Principles (GAAP)
Uniform minimum standards for financial accounting and recording, encompassing the rules and procedures that define accepted accounting principles.

General Obligation (GO) Bonds
Bonds that are secured by the issuer’s pledge of its full faith and credit to the repayment of the bonds, generally repaid from taxes and/or other general revenues.

Goals
A long-term attainable target for an organization – its vision of the future.

Grants
A contribution of assets (usually cash) by one governmental entity or other organization to another. Usually contributions are made to local governments from the state and federal governments and are for a specific purpose.

Indirect Costs
Costs necessary and related to providing a product or service, but which are not an integral part of the product or service. Electricity, heat, rent, telephones, office supplies, management, and supervision are examples of typical indirect costs.
Infrastructure
The streets, sidewalks, water lines, sewer lines, and other major systems and structures which provide the foundation for a community.

Interfund Activity
Activity between funds. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal. Reciprocal activity comprises interfund loans and interfund services provided and used. Nonreciprocal activity comprises transfers and reimbursements.

Interfund Loans
Amounts provided between funds with a requirement for repayment.

Interfund Reimbursements
Repayments by one fund to another for expenditures incurred on its behalf.

Interfund Services Provided and Used
Sales and purchases of goods and services between funds for a price approximating their external exchange value.

Intergovernmental Revenue
Revenue received from another government unit for a specific purpose.

Internal Services Charges
The charges to user departments for internal services provided by another government agency, such as accounting, equipment maintenance, and communications.

Interfund Transfers
Flows of assets (such as cash or goods) between funds without flows of assets in return and without a requirement for repayment.

Legal Debt Margin
The excess of the amount of debt legally authorized over the amount of debt outstanding.

Levy
To impose taxes, special assessments, or service charges for the support of governmental facilities and services.

Major Funds
Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor’s report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding
totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government’s officials believe that fund is particularly important to financial statement users.

**Manager’s Message**
The part of the budget’s introductory section in which the City Manager identifies key policies, strategies, and conditions to the City Commission and general public.

**Mill**
The traditional unit of expressing property tax rates. A mill equals one-thousandth (1/1000) of a dollar, or $1 tax per $1,000 of taxable valuation. Ten mills equals one percent (1%).

**Modified Accrual Accounting**
Basis of accounting according to which revenues are recognized in the accounting period in which they become available and measurable and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**NeighborWorks**
A national nonprofit organization created by Congress to provide financial support, technical assistance, and training for community-based revitalization efforts.

**Object Code**
The most detailed coding of expenditures. The basic elements of the object classifications are Personal Services, Supplies and Materials, Purchased Services, Fixed and Internal Charges, and Capital Outlay. Each of these classifications represents further subtotal and line item detail for very precise identification of expenditures.

**Objectives**
A specific measurable and observable result of an organization’s activity which advances the organization toward its goal – a defined method to accomplish an established goal.

**Operating Budget**
The portion of the budget that pertains to daily operations that provide basic governmental services, such as personnel, supplies, and purchased services.

**Overlapping Debt**
The outstanding long-term debt of Cascade County, School District #1, City of Great Falls, and the Transit District that overlap geographically for property located in the City of Great Falls.
Performance Measures
Specific, quantitative measures of work performed within an activity or program.

Personnel Services
Costs related to compensating employees, including salaries, wages, and benefit costs.

Property Valuation
The value placed on real estate, personal property, and centrally assessed utilities as a basis for levying taxes.

Proprietary Funds
Enterprise Funds
Account for operations: (a) that are financed and operated in a manner similar to private business enterprises, primarily through user charges or (b) where enterprise type records are appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
Internal Service Funds
Account for goods or services provided on an interdepartmental or intergovernmental cost reimbursement basis. Costs are allocated to benefited operations, allowing accurate presentation and review of service and program costs.

Reserve
An account used to indicate that a portion of a fund’s assets are legally restricted for a specific purpose and is not available for general appropriation.

Revenue
Receipts and receivables derived from any and all financing sources. The primary revenue classifications are:
Taxes
Real (property), personal, and motor vehicle property taxes, including the penalty and interest on delinquent taxes. The City does not receive any income taxes or sales taxes.
Fees charged for licenses and permits
Licenses include: motor vehicle, business, animal, etc. Permits include: building, utilities, signs, excavation, sidewalk, etc.
Intergovernmental Revenue
Revenues from federal, state and other governmental units. Tax levies collected by the county on behalf of the City are direct tax revenues of the City.
Charges for Services
Fees charged to users of services or facilities: water, sewer, parking, library, golf, etc.
Fines and Forfeitures
Revenues from fines and forfeitures such as: traffic, DUI, parking, library, etc.
Internal Services
Charges for services provided among departments/divisions within the City organization. Although internal service charges have a "doubling" effect on the total revenues of the City, they are necessary to clearly show the costs and financing sources applicable to individual operations within the City.

Special Assessments
Special levies on property which represent costs of a benefit provided to a special district (group of properties) or individual property. Special assessments include street lighting, improvements, street maintenance, green area maintenance, and hazard removal.

Miscellaneous Revenues
Interest earnings and other revenues not otherwise classified.

Revenue Bond
Bonds sold for constructing a project that will produce revenue for the government. The revenue is pledged to pay the principal and interest of the bond.

Special Assessments
Special levies on property which represent costs of a benefit provided to a special district, group of properties, or individual property. Special assessments include street lighting, improvements, street maintenance, green area maintenance, and hazard removal.

Special Improvement District (SID)
Special Improvement District bonds are issued for capital projects which benefit specific properties. The bonds are not general obligations of the City; however, the city administration is committed to payment of all special improvement district debt issued by the City.

Tax Increment
In 1977, the City's first Tax Increment District was created. At the time each district is created, the taxable value of the district is identified. This taxable value is the base value of the district. New construction and improvements have taken place in the districts, which have increased the taxable value. This increased taxable value is the tax increment valuation for the districts. Tax increment is the increase in annual taxes since the districts were created.

Tax Increment Bond
Specially limited obligation bonds payable from anticipated incremental increases in tax revenues, resulting from the redevelopment of an area. Tax revenue from construction and improvements in the Tax Increment District provides funding for new construction and improvements.

Tax Year
The tax year parallels the fiscal year. One-half of taxes levied or assessed by the City are due in November and one-half in May.
Taxes
Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include licenses, permits, special assessments, or other specific charges made to individuals or individual properties for unique benefits.

Trust and Agency Funds
These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Unreserved Balance
The portion of a fund’s balance that is not restricted for a specific purpose and is available for general appropriation.

Working Capital
Net current assets. The balance that can be identified as available for commitment on the short term (usually one year). Formula:
1. Add cash;
2. Add other current assets (known receivables which can be expected to be available for expenditure in the short term); and
3. Deduct current liabilities (payables which are expected to be paid in the short term)