

Budget 2011

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity.

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 cash disbursements are made at that time or not).

AD VALOREM TAXES: A tax levied on the assessed value of real property.

ALLOCATION: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

APPROPRIATION: An authorization made by the City Council which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and granted for a one-year period.

APPROPRIATIONS ORDINANCE: The official enactment by the City Council establishing the legal authority for City officials to obligate and expand resources.

ASSESSED VALUATION: The estimated value placed upon real and personal property by the Pierce County Assessor as the basis for levying property taxes.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ⇒ ascertain whether financial statements fairly present financial position and result of operations;
- ⇒ test whether transactions have been legally performed;
- ⇒ identify areas for possible improvements in accounting practices and procedures;

- ⇒ ascertain whether transactions have been recorded accurately and consistently; and
- ⇒ ascertain the stewardship of officials responsible for governmental resources.

BALANCE SHEET: A statement presenting the financial position of an entity by disclosing the value of its assets, liabilities and equities as of a specified date.

BARS: The State of Washington Budget, Accounting and Reporting System required for all governmental entities in the State of Washington.

BASE BUDGET: Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.

BASIS OF ACCOUNTING: A term used to refer to when revenues, expenditures, expenses and transfers (and the related assets and liabilities) are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BOND ANTICIPATION NOTE (BAN): Notes issued in anticipation of proceeds from the subsequent sale of bonds.

BUDGET: (Operating) A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

BUDGET CALENDAR: The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

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BUDGET DOCUMENT: The official written statement prepared by the Finance Department and supporting staff for the Mayor, which presents the proposed budget to the City Council.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL BUDGET: A plan of proposed capital expenditures and the means of financing them. The Capital Budget may be enacted as part of the complete annual budget, including both operating and capital outlays. The Capital Budget is based on the Capital Improvement Plan (CIP).

CAPITAL OUTLAY: Expenditures which result in the acquisition of, or additions to, fixed assets. Examples include land, buildings, machinery and equipment, and construction projects.

CONTINGENCY: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

DEBT SERVICE FUND: A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DELINQUENT TAXES: Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

ENDING FUND BALANCE: The cash balance remaining at the end of the year available for appropriation in future years.

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FISCAL YEAR: A twelve (12) month period designated as the operating year by an entity. For Edgewood, the fiscal year is the same as the calendar year (also called budget year).

FIXED ASSETS: Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, improvements other than buildings, and land.

FTE: Full-time equivalent employee.

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

FUND BALANCE: The excess of an entity's assets over its liabilities.

GAAP: Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and governments.

GASB: Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

GENERAL FUND: The fund supported by taxes, fees and other revenues that may be used for any lawful purpose.

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GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

INFRASTRUCTURE: The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e., streets, roads, sewer, and water systems.

INTERNAL SERVICE FUND: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

LEVY: (1) To impose taxes, special assessments or service charges for the support of governmental activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID: A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LOCAL IMPROVEMENT DISTRICTS (LIDs): A legal mechanism that finances specific capital improvements that benefit specific properties. Places a special assessment against the benefited property to repay debt incurred to finance the improvements.

MILL: The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of property valuation.

MITIGATION FEES: Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the City's facilities generated from the development.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and

revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to properly reflect the taxes levied and revenue earned.

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A statute or regulation enacted by City Council.

OTHER SERVICES AND CHARGES: A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, rentals and leases, insurance, public utility services, repairs and maintenance, and miscellaneous.

PERS: Public Employees Retirement System provided for, other than Police and Fire, by the State of Washington.

PERSONNEL BENEFITS: Those benefits paid by the City as part of the conditions of employment. Examples include insurance and retirement benefits.

PUBLIC FACILITIES: The capital owned or operated by the City or other governmental entities.

PUBLIC WORKS TRUST FUND LOAN (PWTF): A construction loan program administered by the State of Washington Public Works Board, which loans money to counties, cities, and special purpose districts to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

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RCW: Revised Code of Washington.

REET: (Real Estate Excise Tax): A tax upon the sale of real property from one person or company to another.

RESERVE: An account used to indicate that a portion of the fund equity is legally restricted for a specific purpose.

RESOLUTION: A formal statement of a decision or expression of an opinion of the City Council.

RESOURCES: Total dollars available for appropriations, including estimated revenues, fund transfers, and beginning fund balances.

REVENUE: Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

SALARIES AND WAGES: Amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and temporary help.

SPECIAL ASSESSMENTS: An assessment similar to a tax (but legally distinct and is separately billed), applied to property participating in an LID to retire the LID debt.

SUPPLEMENTAL APPROPRIATION: An appropriation approved by the Council after the initial budget appropriation.

SUPPLIES: A basic classification of expenditures for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory or resale items, and small tools and equipment.

TAX: Charge levied by a government to finance services performed for the common benefit.

TAX ANTICIPATION NOTES (TANS): Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically used by school districts).

TAX LEVY ORDINANCE: An ordinance through which taxes are levied.

UTILITY LOCAL IMPROVEMENT DISTRICTS (ULIDs): A legal mechanism that finances specific utility (sewer, water, and storm drainage) capital improvements that benefit specific properties. Places a special assessment against the benefited property to repay debt incurred to finance the improvements.

WAC: Washington Administrative Code.

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Community Profile

Location: The City of Edgewood is located in North Central Pierce County, adjacent to the cities of Pacific, Sumner, Puyallup, Fife and Milton, and is accessible from SR 167, SR 161 and I-5.

Demographics:

Square Miles.....8.9
Population.....9,625
Miles of Street.....46.4

Parks:

Crawford Woods: 4.5 acre future nature preserve
Edgemont Park: 5 acre active park
Nelson Nature Park: 12 acre passive park
Nelson Farm : 10 acre passive park
Interurban Trail: 22 acre future trail
Jovita Crossroads: 1.45 acre future Interurban Trail Head
36th St. E. and Meridian Ave. E.: 18 acre future active park
Walker Pond: 4.2 acre wetlands

School Districts and Schools: The City of Edgewood is serviced by three School Districts.

Fife School District
Alice V. Hedden Elementary
Puyallup School District:
Edgemont Jr. High
Mountain View Elementary
Northwood Elementary
Sumner School District

Utility Services: Primary water providers are Mountain View-Edgewood Water Co. and Milton Water.

Electricity and natural gas are provided by Puget Sound Energy; phone service is provided by Qwest; and cable vision is provided by Comcast.

Legislative Representation:

Pierce County District 1
Councilmember Dan Roach
Legislative District.....25th
Senator Jim Kastama
Representative Bruce Dammeier
Representative Hans Zeiger
Legislative District.....31st
Senator Pam Roach
Representative Cathy Dahlquist
Representative Christopher Hurst
Congressional District.....9th
Representative Adam Smith

U. S. Senator Maria Cantwell
U. S. Senator Patty Murray

Law Enforcement: The City of Edgewood contracts with the Pierce County Sheriff's Office for its police services. Jail services are provided by Pierce County. Court services are provided by Pierce County District Court One.

Fire Protection: Fire protection for the City of Edgewood is provided by Pierce County Fire District #8, a separate taxing entity.

Library Services: Library services are provided by the Pierce County Regional Library, a separate taxing entity.

Street Maintenance: The City of Edgewood contracts with Pierce County Public Works for maintenance of City streets.

Animal Control: Animal Control services are provided under contract by Metro Animal Control Services.

