GLOSSARY OF TERMS

ACCOUNTING PERIOD A period at the end of which and for which financial statements are prepared.

ACCOUNTING SYSTEM The total structure of records and procedures designed to discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, account groups or organizational components.

ACCRUAL BASIS The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

AGENCY FUND A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds; for example, taxes collected and held by a county for a fire district.

ANNUAL BUDGET A budget applicable to a single fiscal year. See also BUDGET and OPERATING BUDGET.

APPROPRIATION A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

ASSESSED VALUATION A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSETS Resources owned or held by a government which have monetary value.

BALANCE SHEET The basis financial statement which discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

BASIS FINANCIAL STATEMENTS Those financial statements, including notes thereto, which are necessary for a fair presentation of the financial position and results of operations of an entity in conformity with GAAP. Under Statement 1, basis financial statements include a balance sheet, an "all inclusive" operating statement, and, for proprietary funds, pension trust funds and non-expendable trust funds, a statement of changes in financial position.

BOND A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.

BOND FUND A fund formerly used to account for the proceeds of general obligation bond issues.

BONDS AUTHORIZED AND UNISSUED Bonds which have been legally authorized but not issued and which can be issued and sold without further authorization. This term must not be confused with the term "legal debt margin", which represents the difference between the legal debt limit of a government and the debt outstanding against it.

BUDGET A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two separate senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body.

It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body. See ANNUAL BUDGET.

BUDGETARY COMPARISONS Governmental GAAP financial reports must include comparisons of approved budgeted amounts with actual results of operations. Such reports should be subjected to an independent audit, so that all parties involved in the annual operating budget/legal process are provided with assurances that governmental monies are spent in accordance with the mutually agreed upon budgetary plan.

CAPITAL GRANTS External grants which are restricted by the grantor for the acquisition and/or construction of fixed assets. Although the concept applies to all funds, the classification is used only in proprietary funds. See also OPERATING GRANTS, CONTRIBUTED CAPITAL and RESIDUAL EQUITY TRANSFERS.

CAPITAL OUTLAYS Expenditures which result in the acquisition of or addition to fixed assets.

CASH An asset account reflecting currency, coin, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability must be indicated in the records and statements. It is not necessary, however, to have a separate bank account for each fund unless required by law.

CASH BASIS A basis of accounting under which transactions are recognized only when cash is received or disbursed.

COMBINED STATEMENTS - OVERVIEW The five basic financial statements comprising the first of the financial reporting pyramid's three reporting levels containing GAAP basic financial statements. They include:

(1) Combined Balance Sheet - All Fund Types and Account Groups;
(2) Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, All Governmental Fund Types;
(3) Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Fund types (and similar governmental fund types for which annual budgets have been legally adopted);
(4) Combined Statement of Revenues, Expenses and Changes in Fund Equities - All Proprietary Fund Types;
(5) Combined Statement of Changes in Financial Position - All Proprietary Fund Types; and
(6) Notes to the Financial Statements.

Trust Fund operations may be reported in (2), (4), and (5) above, as appropriate, or separately. The Combined Statements - Overview are also referred to as the "liftable" general purpose financial statements (GPFS).

COMBINING STATEMENTS - BY FUND TYPE The second of the financial reporting pyramid's three reporting levels containing GAAP basic financial statements. Such statements are presented for each fund type for which the government maintains more than one fund. They include GAAP basic financial statements for each fund of a particular fund type in separate adjacent columns and a total column for all funds of the particular fund type.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) The official annual report of a government. It includes five Combined Statements - Overview (the "liftable GPFS), and basic financial statements for each individual fund and account group prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes Supporting Schedules necessary to demonstrate compliance with finance related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CONTINGENT LIABILITIES Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law orders, and uncompleted contracts. All contingent liabilities should be disclosed within the basic financial statements, including the notes thereto.

CONTINUING APPROPRIATION An equity account recording resources externally restricted for the acquisition or construction of capital assets, including CAPITAL GRANTS, RESIDUAL EQUITY TRANSFERS - IN, contributions from developers and customers, and tax levies restricted to capital purposes. The account also records current resources furnished to an internal service fund for working capital. Although the concept applies to all funds, the classification is used only in proprietary funds.

CONTROL ACCOUNT An account in the general ledger which summarizes a number of identical or related accounts called subsidiary accounts. For example, Taxes Receivable is a control account supported by the aggregate of individual balances in individual property taxpayers' subsidiary accounts.

CURRENT ASSETS (1) In governmental funds, those assets which are available or can be made readily available to finance current operations or to pay current liabilities.
(2) In proprietary funds, those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivable which will be collected within one year.

CURRENT LIABILITIES Liabilities which are payable within one year.

DEBT An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, registered warrants, notes, contracts and accounts payable. See BOND, NOTE PAYABLE, REGISTERED WARRANT, LONG-TERM DEBT, GENERAL LONG-TERM DEBT, and REVENUE BONDS.

DEBT LIMIT The maximum amount of gross or net debt which is legally permitted.

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. Formerly called a sinking fund.

DEBT SERVICE REQUIREMENT The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

DEFERRED SPECIAL ASSESSMENTS Special assessments which have been levied but which are not due within one year.

DELINQUENT SPECIAL ASSESSMENTS Special assessments remaining unpaid on and after the date on which a penalty for non-payment is attached.

DISBURSEMENTS Payments in cash.

DOUBLE ENTRY A system of bookkeeping which requires an entry to the debit side of an account or accounts for the corresponding amount or amounts of the entry to the credit side of another account or accounts.

ENCUMBRANCES Commitments for unperformed (executory) contracts for goods or services.

ENTERPRISE FUND A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of enterprise funds are those for water and a golf course.

ENTITLEMENT The amount of payment to which a state or local government is entitled as determined by the federal government (e.g., the Director of Office of Revenue Sharing) pursuant to an allocation formula contained in applicable statutes.

EQUITY ACCOUNTS Those accounts showing the excess of assets over liabilities in the fund.

EXPENDABLE TRUST FUND A trust fund whose resources, including both principal and earnings, may be expended. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

EXPENDITURES Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

FISCAL AGENT A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FIXED ASSETS Assets which are intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment. In common usage, the term refers only to operating facilities and equipment, not to long-term investments and other non-current assets.

FULL FAITH AND CREDIT A pledge of the general taxing power of a government for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds.

FUND A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE The fund equity of governmental funds and trust funds.

FUND TYPE In governmental accounting, all funds are classified into three categories and eight generic fund types:

Governmental Funds Category
(1) The General (or Current Expense) Fund
(2) Special Revenue
(3) Debt Service Fund
(4) Capital Project Funds
(5) Special Assessment Funds

Proprietary Funds Category
(6) Enterprise Funds
(7) Internal (or Intragovernmental) Service Funds

Fiduciary Funds Category
(8) Trust and Agency Funds
  (a) Expendable Trust Funds
  (b) Non-Expendable Trust Funds
  (c) Pension Trust Funds
  (d) Agency Funds

GENERAL FIXED ASSETS Fixed assets of governmental funds. General fixed assets include all fixed assets not accounted for in another fund.

GENERAL FUND The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL LONG-TERM DEBT Long-term debt (other than special assessment bonds) expected to be repaid from governmental funds. See LONG-TERM DEBT.

GENERAL LONG-TERM DEBT ACCOUNT GROUP A self-balancing group of accounts set up to account for the unmatured general long-term debt of government. See GENERAL LONG-TERM DEBT.

GENERALLY ACCEPTED ACCOUNT PRINCIPLES (GAAP) Uniform minimum standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is NCGA Statement 1.

GENERAL ACCEPTED AUDITING STANDARDS (GAAS) Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. They are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards have been prescribed by (a) the American Institute of Certified Public Accountants (AICPA, and (2) the U.S. General Accounting Office (GAO) in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (the "yellow book").

GENERAL OBLIGATION BONDS Bonds for the payment of which the full faith and credit of the issuing government are pledged.

GPFS Those basic financial statements which comprise the minimum acceptable fair presentation in conformity with GAAP. In Statement 1, NCGA redefined governmental GPFS to consist of financial statements for each of the eight fund types and for both account groups presented in separate adjacent columns on the financial reporting pyramid's five Combined Statements - Overview. See BASIC FINANCIAL STATEMENTS, COMBINED STATEMENTS - OVERVIEW.

GRANTS External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility. See also CAPITAL GRANTS, OPERATING GRANTS, CONTRIBUTED CAPITAL, PASS-THROUGH RESOURCES and RESIDUAL EQUITY TRANSFERS.

IMPROVEMENTS Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers. Sidewalks, curbing, sewers, and highways are sometimes referred to as "betterments", but the term "improvements" is preferred. See also INFRASTRUCTURE ASSETS.

INCOME BEFORE OPERATING TRANSFERS Proprietary fund operating income adjusted by non-operating revenues and non-operating expenses.

INFRASTRUCTURE ASSETS These are also called "public domain" assets. These assets are immovable and belong in the category of Improvements Other Than Buildings. They are designed to serve the needs of the general public and would be of limited value to any purchaser of property because he could not control their use. Examples include roads, bridges, piers, curbs and gutters, sidewalks, and drainage systems.

INTERFUND ACCOUNTS Accounts in which transfers between funds are reflected. See INTERFUND TRANSACTIONS and INTERFUND TRANSFERS.

INTERFUND TRANSACTIONS There are four kinds of transactions between funds. All exchanges that involve more than one fund fall into one of these four kinds.

1. Interfund Loans These are temporary borrowings of cash or other assets. Loan transactions do not affect the operating statements. (The interest payments are quasi-external transactions).

2. Quasi-External Transactions These transactions are equivalent to either:
   a. Buying goods or services from an outside vendor; or
   b. Payments in lieu of property, business, or excise taxes by a proprietary fund as though it were a private business; or
   c. Transfers into another fund type from an agency fund used as a suspense fund.

3. Interfund Reimbursements These transactions are payments to a fund for expenditures or expenses which belong to another fund.

4. Interfund Transfers All other interfund transactions are transfers. See the following definition for the two types of interfund transfers.

INTERFUND TRANSFERS There are two types of interfund transfers. Both types involve the permanent (or at least long-term) movement of resources between funds. For any one transaction, the transfer-in and the transfer-out must be classified in the same way, so that the total operating transfers-in for the entire municipality equal the total operating transfers-out and the total residual equity transfers-in equal the total residual equity transfers-out.

1. Residual Equity Transfers These transfers are of three different sorts:

   a. Transfers at the close-out of a discontinued fund or one-time contributions;
   b. The interfund equivalent of "capital grant" or its repayment. Normally, these residual equity transfers will involve both a proprietary fund a governmental fund. Such transfers must be contributions restricted to capital outlays or the return of such contributions;
   c. Contributions to an internal service fund to establish or increase its working capital and repayment of such contributions.

   Residual equity transfers are reported as direct additions to or deductions from beginning fund balances in governmental funds and as direct additions to or deductions from fund equities (contributed capital or retained earnings, as appropriate) in proprietary funds.

2. Operating Transfers All other interfund transfers are operating transfers. These transactions are the interfund equivalent of operating subsidies. Their purpose is to support the normal level of operations in the recipient fund.

INTERGOVERNMENTAL REVENUES Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

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

INVENTORY A detailed list showing quantities, descriptions, and values of property, and frequently, units of measures and unit prices.

INVESTMENTS Assets held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

LEASEHOLD The right to the use of real estate by virtue of a lease, usually for a specified term of years, for which consideration is paid.

LEASE-PURCHASE AGREEMENTS Contractual agreements which are termed "leases", but which in substance amount to purchase contracts.

LEGAL DEBT LIMIT See DEBT LIMIT.

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

LIABILITIES Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. The term does not include encumbrances.

LOCAL IMPROVEMENT See SPECIAL ASSESSMENT.

LONG-TERM DEBT Debt with a maturity of more than one year after the date of issuance.

MODIFIED ACCRUAL BASIS The actual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period". Expenditures are recognized when the related fund liability is incurred except for:

(1) Prepaid insurance and similar items which need not be reported;
(2) Accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements;

(3) Interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and
(4) Principal and interest on long-term debt which are generally recognized when due.

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

MUNICIPAL BOND A bond issued by a state or local government.

NET INCOME Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers-in over operating expenses, non-operating expenses, and operating transfers-out.

NON-EXPENDABLE TRUST FUND A trust fund, the principal of which may not be expended. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds.

NON-OPERATING EXPENSES Proprietary fund expenses which are not directly related to the fund's primary service activities.

NON-OPERATING REVENUES Proprietary fund revenues which are incidental to, or by-products of, the fund's primary service activities.

NOTE PAYABLE In general, an unconditional written promise, signed by the maker, to pay a certain sum of money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein. The note may be held by the reporting governmental unit as designated payee or by endorsement.

NOTE RECEIVABLE An unconditional written promise, signed by the maker, to pay a certain sum of money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein.

NOTES TO THE FINANCIAL STATEMENTS The summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements of an entity in conformity with GAAP which are not included on the face of the basic financial statements themselves. The notes to the financial statements are an integral part of the basic financial statements.

OPERATING BUDGET Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government. See BUDGET.

OPERATING EXPENSES Proprietary fund expenses which are directly related to the fund's primary service activities.

OPERATING GRANTS External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. Although the concept applies in all funds, the classification is used only in proprietary funds.

OPERATING INCOME The excess of proprietary fund operating revenues over operating expenses.

OPERATING REVENUES Proprietary fund revenues which are directly related to the fund's primary service activities. They consist primarily of use charges for services.

OPERATING STATEMENT The basic financial statement which discloses the financial results of operations of an entity during an accounting period in conformity with GAAP. Under NCGA Statement 1, operating statements and statements of changes in fund equity are combined into "all-inclusive" operating statement formats.

OTHER FINANCING SOURCES Governmental fund general long-term debt proceeds, operating transfers-in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

OTHER FINANCING USES Governmental fund operating transfers-out. Such amounts are classified separately from expenditures.

PASS-THROUGH RESOURCES Grants, entitlements, or shared revenues received by a government to transfer to or spend on behalf of another entity in accordance with legal or contractual provisions. The receipt or disbursement of such resources does not affect the operations of the agent government except for the imposed accounting and reporting requirements. Such resources received by one governmental unit on behalf of a secondary recipient, governmental or other, should be accounted for in an agency fund. Pass-through resources should be reported as revenues or contributed capital and as expenditures or expenses, as appropriate, by the secondary recipient.

PENSION TRUST FUND A trust fund used to account for public employee retirement systems. Pension trust funds are accounted for in essentially the same manner as proprietary funds, but with an important expanded emphasis on required fund balance reserves.

PETTY CASH A sum of money set aside on an imprest basis for the purpose of making change or paying small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming. Petty cash accounts are sometimes referred to as petty cash "funds". However, they are not "funds" in the sense of governmental accounting's eight fund types. Petty cash accounts should be reported as assets of the fund of ownership.

RECEIPTS Cash received.

REFUND (Noun) The recovery of an item previously expensed or the repayment of an item previously recorded as revenue. Such refunds should be included in revenues, expenditures, or expenses of the current accounting period. (Verb) To pay back or allow credit for an amount because of an over collection or because of the return of an object sold. Such charges or credits should be made to the account where the original transaction was recorded. (Verb) To provide for the payment of an obligation through cash or credit secured by a new obligation.

REFUNDING BONDS Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds.

REGISTERED WARRANT A warrant which is registered by the paying officer for future payment due to a present lack of monies and which is to be paid in the order of its registration. In some cases, such warrants are registered when issued; in others, when first presented to the paying officer by the holders. See WARRANT.

REIMBURSEMENTS Reimbursements are transactions that reduce expenditures or expenses in the fund that is reimbursed. These transactions include refunds of expenditures, internal prorations of costs, and payments received for others' share of pooled purchases.

RESERVE (1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditures; and (2) an account used to segregate a portion of fund equity as legally set aside for a specific future use.

RESIDUAL EQUITY TRANSFERS See INTERFUND TRANSFERS.

REVENUE BONDS Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES (1) Increase in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense funds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers-in are classified separately from revenues. See INTERFUND TRANSFERS AND REFUNDS.

REVOLVING FUND (1) An internal service fund. (2) An imprest account which is accounted for as an asset of a fund.

SHARED REVENUES Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

SPECIAL ASSESSMENT A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL ASSESSMENT BONDS Bonds payable from the proceeds of special assessments. These bonds are payable only from the collection of special assessments, and occur in Local Improvement Districts (LID's) and Road Improvement Districts (RID's).

SPECIAL REVENUE FUND A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. Under NCGA Statement 1, the use of special revenue funds is required only when legally mandated.

STATEMENT OF CHANGES IN FINANCIAL POSITION The basic financial statement which (for proprietary funds, non-expendable trust funds, and pension funds) presents information on the amount (but not necessarily the nature) of the sources and uses of an entity's working capital during an accounting period in conformity with GAAP. The statement of changes in financial position should be presented as a statement beginning with reported net income, adjusting it for items not requiring (providing) working capital, and detailing only non-operating financing sources and uses.

STATEMENT OF CHANGES IN FUND EQUITY The basic financial statement which reconciles the equity balances of an entity at the beginning and end of an accounting period in conformity with GAAP. It explains the relationship between the operating statement and the balance sheet. Under NCGA Statement 1, statements of changes in fund equity are combined with operating statements into "all-inclusive" operating statement formats.

STATEMENT OF REVENUES AND EXPENDITURES The basic financial statement which is the governmental fund and expendable trust fund GAAP operating statement. It presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in an entity's net current assets.

STATEMENT OF REVENUES AND EXPENSES The basic financial statement which is the proprietary fund, non-expendable trust fund, and pension trust fund GAAP operating statement. It presents increases (revenues) and decreases (expenses) in an entity's net total assets.

SUPPORTING SCHEDULES Financial presentations used:
(1) to demonstrate compliance with finance-related legal and contractual provisions;
(2) to present information spread throughout the basic financial statements that can be brought together and shown in greater detail (e.g., schedule of taxes receivable);
(3) to present greater detail for information reported in the basic financial statements (e.g., detail of revenues and expenditures by element and object); and
(4) to present information not disclosed in GAAP basic financial statements (e.g., operation of cash).

TAXES Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

TRANSFERS See INTERFUND TRANSACTIONS.

TRUST FUNDS Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

TRUST AND AGENCY FUND One of the eight generic fund types in governmental accounting. See TRUST FUNDS and AGENCY FUND.

UNENCUMBERED APPROPRIATION That portion of an appropriation not yet expended.

UNEXPENDED APPROPRIATION That portion of an appropriation not yet expended.

VOUCHER A written document which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

VOUCHERS PAYABLE Liabilities for goods and services evidenced by vouchers which have been pre-audited and approved for payment but which have not been paid.

WARRANT An order drawn by the legislative body or an officer of a government upon its treasurer directing the latter to pay a specified amount to the person named or to the bearer. It may be payable upon demand, in which case it usually circulates in the same manner as a bank check, or it may be payable only out of certain revenues when and if received, in which case it does not circulate as freely. See REGISTERED WARRANT.

WARRANTS PAYABLE The amount of warrants outstanding and unpaid.

WORK IN PROCESS The cost of partially completed products manufactured or processed, such as a partially completed printing job. Sometimes referred to as "work in progress".