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FINANCIAL TERMINOLOGY

ACTUAL EXPENDITURE: Amount the county expended for goods and services during the fiscal year.

ACTUAL REVENUE: Amount the county earned during the fiscal year.

ANNUAL BUDGET: A budget that applies to a single fiscal year.

ANNUAL FINANCIAL REPORT: A report of the financial condition that applies to a single fiscal year.

APPROPRIATION: The amount of money budgeted to pay for expenses.

APPROPRIATED FUND BALANCE: An amount set aside from a specific fund to offset real property taxes.

ASSESSED VALUATION: A term used that identifies the numerical quantity that is assigned by a government to value real estate or other property. This is used as a basis for levying taxes.

ASSESSMENT: The process and placement of an official valuation of property for taxation.

BOND RATING: A term used to identify a municipality's fiscal standing and determines interest rates charged upon borrowing money; the higher the rating, the lower the interest rate charged.

BUDGET: A financial plan for a single fiscal year.

BUDGETED REVENUE: The estimated amount of money the county anticipates receiving from a variety of sources in a fiscal year.

CONSTITUTIONAL DEBT LIMIT: The amount of money a municipality can legally borrow.

FINANCIAL TERMINOLOGY (continued)

CONSTITUTIONAL TAX LIMIT: The amount of money a municipality can legally raise from taxing property owners.

COUNTY ROAD FUND: Accounts for salaries and expenditures of county highway superintendent's office, maintenance of road and bridges, snow removal and the construction and reconstruction of county roads.

CULTURE AND RECREATION: Expenditures for all cultural and recreational activities for the benefit of residents and visitors, including Youth Bureau, parks and arts programs.

DEBT: An obligation for the amount of money borrowed or for purchasing goods and services, includes bonds and notes.

DEBT SERVICE: Costs for principal and interest payments on short-term and long-term debt.

DELINQUENT TAXES: Property taxes remaining unpaid on and after the penalty free date.

DEPARTMENTAL INCOME: Fees for goods and services received by various county departments.

ECONOMIC ASSISTANCE: Costs associated with the departments of Social Services, Employment and Training, Tourism, Office for the Aging and Veterans.

EDUCATION: Costs associated with the State's mandate that the County pay for residents' community college tuition and the education of handicapped children.

ENTERPRISE FUND: A proprietary fund used to account for activities for which a fee is charged to external users for goods and services; Otsego County's Public Nursing Home, Otsego Manor.

EMPLOYEE BENEFITS: Also Fringe Benefits. Costs associated with employee retirement, social security, health insurance, life insurance and other benefits for employees.

FINANCIAL TERMINOLOGY (continued)

EQUALIZATION RATE: The ratio of a municipality's total assessment to its market value. These rates are determined by the New York State Office of Real Property Services (ORPS) and the county has no control over this determination. The local Municipality can challenge these rates.

FINES AND FORFEITURES: Revenue from penalties imposed for commission of statutory offenses and violations and confiscating bail deposits paid when defendants fail to appear in court.

FISCAL YEAR: A 12 month period to which an annual operating budget applies and at the end of the period a government determines its financial position and results of its operation; does not have to be a calendar year.

FUND: A fiscal and accounting entity with a self-balancing set of accounts that are segregated for carrying on specific activities or meeting certain objectives according to special regulations, restrictions or limitations.

FUND BALANCE: The total assets minus total liabilities or the accumulated net earnings.

FUND EQUITY: The County's fund balance plus reserves.

GENERAL FUND: The principal operating fund of the County which includes all operations that are not required to be recorded in other funds.

GENERAL GOVERNMENT SUPPORT: All costs associated with providing services to the general public and other departments.

HOME AND COMMUNITY SERVICES: Expenditures for services provided to the community at large including environmental, sanitation, water, sewerage, community development and protection of natural resources.

INTERGOVERNMENTAL TRANSFER: Revenue received from New York State that increases Medicaid funds to County owned and operated Nursing Homes.

INTERGOVERNMENTAL CHARGES: Charges to other governments for services.

FINANCIAL TERMINOLOGY (continued)

LEVY: To impose taxes, special assessment or service charges for the support of government activities or the total amount of taxes, special assessments or service charges imposed by a government.

LICENSES AND PERMITS: Revenue received from such sale.

MACHINERY FUND: DM FUND; required by Highway Law Sec 133. Materials, supplies, tools, equipment, etc. as it relates to road maintenance, construction and highway equipment, snow removal and bridge purposes.

NON-PROPERTY TAX ITEMS: Consists of sales tax, occupancy tax, 911 and wireless surcharges.

OUTSTANDING DEBT: Amount of county debt that is unpaid.

PUBLIC SAFETY: Costs associated with the Sheriff's Department, Jail, Probation, Codes, E911, STOP DWI, and Emergency Services.

REAL PROPERTY TAXES: The amount of money paid by property owners.

REAL PROPERTY TAX ITEMS: includes money from the sale of tax delinquent properties, PILOT agreements, Solid Waste User Fee, and interest and penalties.

REAL PROPERTY TAX LEVY: The total amount of money to be raised from property owners.

REVENUE: Money coming into the county to pay for services; sometimes used to refer to all revenue sources that don't include property taxes.

RESERVE FUNDS: Monies set aside by the legislature for a specific purpose. The money can only be used for that purpose; restricted use.

SALE OF PROPERTY AND COMPENSATION FOR LOSS: Revenue from the sale of forest products and equipment.

SALES TAX ALLOCATION: Method of distributing sales tax revenue to Oneonta City, 24 towns and 9 villages. The County retains 76% and distributes 12% to Oneonta City and the remaining 12% to the towns and villages.

FINANCIAL TERMINOLOGY (continued)

SALES TAX REVENUE: The amount the County receives for the 4% sales tax on taxable sales.

SERIAL BONDS: A form of debt, similar to a mortgage, which is long term; used by municipalities for long term capital borrowing, (bonding).

SOLID WASTE USER FEE: Charges, based upon billing units, to owners of improved real property in Otsego County deemed to generate solid waste or recyclable materials and are therefore users of facilities and or services.

SPENDING: Is the amount of money expended by the county to pay for goods and services; which comes from real property taxes, state and federal aid, fees and grants.

TAXES: Compulsory charges to finance services performed for the common benefit.

TAX ACQUIRED PROPERTY: Property that has been taken by Otsego County for unpaid taxes.

TAX PROPERTY AUCTION: The annual auction at which Otsego County sells property it has taken for delinquent taxes.

TAXABLE ASSESSED VALUE: The value determined by local assessors on real property minus exemptions.

TAX RATE: The amount of tax stated in terms of a unit of the tax base, i.e., rate per 1,000 of assessed valuation of taxable property.

TAX ROLL: The official list giving the amount of taxes levied against each parcel of real property.

TRANSPORTATION: Costs associated with the county road fund, road machinery, and bus operations.

USE OF MONEY AND PROPERTY: Consists of interest earned on county investments and rental of property and equipment.