



Accrual Basis of Accounting – Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.

Action Plan – Specific activity undertaken to achieve a performance target related to a strategic objective.

Ad Valorem tax – A tax levied in proportion to the value of a property.

Agency Funds – Funds used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Amortization – Allocation of capital investment or cost over a period of years or time corresponding to the investment's terms or useful life, or allocation of debt over the debt's term.

Appropriation – An authorization made by the Village Council that permits the Village to incur obligations and to make expenditures of resources.

Area of Focus – Strategic objectives from the balance scorecard selected for improvement where the organization seeks to develop strategic new initiatives to improve performance.

Assessed Valuation – The value established for real or personal property for use as a basis to levy property taxes.

Balanced Budget – A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act as when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund. In North Carolina, it is required that the recommended budget be balanced.

Balanced Scorecard (BSC) – An integrated framework for describing and translating strategy using linked performance measures in four balanced perspectives: Customer, Internal, Employee, and Financial. The balanced scorecard acts as a measuring system, strategic management system, and a communication tool.

Baldrige Criteria for Performance Excellence – A national quality award program focused on achieving performance excellence built upon a set of interrelated core values and concepts.

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. The Village of Pinehurst uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Benchmark – Performance data from select comparable communities for similar services that are indicative of best practices. This data is obtained from performance surveys, state performance measurement projects, or industry standards.

BIRDIE – Is an acronym for the Village's performance improvement methodology system. It stands for Bring the opportunity forward, Investigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution.

Bond – A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.



Budget Glossary

Budget – A statement in dollar terms of the Village’s program of service delivery for the ensuing fiscal year.

Budget Amendment – A legal procedure utilized by the Village staff and the Village Council to revise a budget appropriation.

Budget Document – The instrument used by the budget-making authority to present a comprehensive financial program to the Village Council.

Budget Message – The opening section of the budget that provides the Village Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Manager.

Budget Ordinance – The official enactment by the Village Council to establish legal authority for Village officials to obligate and expend resources.

Budgetary Control – The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Assets – Assets of long-term character which are intended to continue to be held or used by the Village, including land, buildings, machinery, furniture and other equipment.

Capital Improvement Plan (CIP) – A plan for capital expenditures which provides long-lasting physical improvements to be incurred over a fixed period of five future years.

Capital Outlay – Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Capital Project Fund - A fund used to account for the acquisition and construction of major capital facilities.

Capital Reserve – An account used to indicate that a portion of a fund’s balance is legally restricted for a specific capital purpose and is, therefore, not available for general appropriation.

Cash Management – The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash Management refers to the activities of forecasting cash flows, improving cash availability for investment, and establishing and maintaining banking relationships.

Category – A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt services and transfers.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Community Development Block Grant (CDBG) – Grants from the U.S. Department of Housing and Urban Development to states that are competitively awarded to local governments for housing related infrastructure.

Comprehensive Annual Financial Report (CAFR) – A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.



Comprehensive Long-Range Plan – A plan adopted by the Village Council in April of 2003 (updated in 2010) that outlines the long-term goals of the Village over a 20 year period.

Core Competencies – Specific strengths or strategic advantages of the Village that are central to the way we operate that are not easy for others to imitate that positively affect the services we provide.

Debt Service – The Village’s obligation to pay the principal and interest of all debt instruments according to a pre-determined payment schedule.

Department – An organizational unit responsible for carrying out a major governmental function.

Departmental Dashboard – This is the departmental version of a balanced scorecard. It is the single listing of all approved departmental measures and is used to monitor progress.

Depreciation – The process of estimating and recording the expired useful life, or diminution of service from a capital asset that cannot or will not be restored by repair and must be replaced. The cost of the capital asset’s lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

Encumbrance – The commitment of appropriated funds to purchase an item or services. To encumber funds is to set aside, or commit funds for future expenditures.

Estimated Revenue – The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the Village Council.

ETJ – The acronym used for extraterritorial jurisdiction.

Expenditure – The outflow of funds for assets that are incurred or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.

Fiscal Policy – The financial plan embracing the general goals and acceptable procedures of a governmental unit.

Fiscal Year – The time period designating the beginning and the ending period for recording financial transactions. The Village of Pinehurst’s fiscal year begins July 1st and ends June 30th.

FTE – The acronym used for Full Time Equivalent as it relates to employees.

Function – A group of related programs crossing organizational (departmental) boundaries and aimed to accomplishing a broad goal, or a major service.

Fund – An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

Fund Balance – Fund balance is the amount of assets in excess of the liabilities or appropriated for expenditures, and is therefore also known as surplus funds.

Fund Balance Appropriated – A budgetary amount representing the fund’s equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.



General Accepted Accounting Principles (GAAP) – Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions; rules and procedures necessary to define accepted accounting practices.

GS – The acronym used for the General Statutes adopted by the North Carolina General Assembly.

General Fund – The largest fund within the Village, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes and other revenues. This fund includes basic governmental services, such as fire and police protection, finance, public services, general administration, planning and inspections, community development, and recreation.

General Ledger – A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

GFOA – The acronym used for Government Finance Officers Association of the United States and Canada.

Goal – A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless. It is not concerned with a specific achievement in a given time period.

Grant – A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.

Inter-fund Transfers – Amounts transferred from one fund to another.

Intergovernmental Revenue – Revenue received from another government for a specified purpose.

Investment Earnings – Revenue earned on investments with a third party. The Village uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to individual funds by average cash balance in the fund.

Levy – To impose taxes, special assessments, or services charged for the support of Village activities.

Local Government Budget and Fiscal Control Act (LGBFCA) – This act governs all financial activities of local governments within the State of North Carolina.

Long Term Debt – Debt with a maturity of more than one year after the date of issuance.

Long-Term Objective (LT) – An objective targeted for achievement in years two through five of the strategic operating plan.

Maturities – The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Modified Accrual Accounting – The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and unmatured principal and interest on general long term debt is recognized when due.



NCAfE – This is the North Carolina Awards for Excellence program that recognizes an organization’s progress on their performance excellence journey, utilizing the Baldrige Criteria for Performance Excellence.

NCDOT – This acronym is short for North Carolina Department of Transportation.

North Carolina Municipal Council – A not-for-profit, non-stock group of banks, investment dealers, bond attorneys, and other financial institutions, all of which are interested in ownership or distribution on bonds and notes of counties, municipalities, and districts in North Carolina.

Net Budget – The total amount of revenues and expenditures for the General Fund and all special Revenue funds with the exceptions of the Capital Reserve Fund.

Objectives – A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

Operating Expenses – The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.

Operating Fund – A fund to account for operating activities that generally result from providing services and producing and delivering goods, and include all transactions and other events that are not identified as capital and related financing, noncapital financing, or investing activities.

Operating Transfer – Routine and/or recurring transfer of assets between funds.

Peer Group – Other municipalities in the state of North Carolina with a population between 10,000 and 50,000.

Performance Measures – Descriptions of a program’s effectiveness, or efficiency (i.e., response time to public request, frequency of document updates) used to track operational performance.

Perspectives – These are categories for classifying strategic objectives on the balanced scorecard.

Powell Bill Street Allocation – Funding from state-shared gasoline tax restricted for maintenance of local streets.

Project Fund – A multi-year fund used to account for the revenues and expenditures of a specified project that only exists until the project is completed.

Program – An organized set of related work activities that are directed toward accomplishing a common goal. Each Village department is usually responsible for a number of related service programs.

Property Taxes – Property taxes are levied on both real and personal property according to the property’s valuation and tax rate.

Reclassification – Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

Reserve – A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.



Restricted Intergovernmental Revenues – Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.

Resources – Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.

Revaluation – Assignment of value to properties, buildings, vehicles, and equipment used for business and residential purposes by the Moore County Tax Assessor’s Office. Under State law, all property must be revalued no less frequently than once every eight years.

Revenue – Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

Right-of-Way Acquisition – Purchase of property needed by the Village to perform road improvement projects and/or protection of right-of-way for future highway projects.

Short-Term Objective (ST) – An objective targeted for achievement in the upcoming fiscal year.

Source of Revenue – Revenues that are classified according to their source or point of origin.

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.

Special Revenue Fund – A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Strategic Initiative – A collection of Action Plans undertaken to achieve a performance target related to a strategic objective. A new initiative is an initiative not approved in the prior year’s strategic planning process.

Strategic Advantages – Benefits that exert a decisive influence on the Village’s likelihood of future success and are the source of our competitive success.

Strategic Challenges - External pressures that exert a decisive influence on the Village’s likelihood of future success.

Strategic Objective - The Village Council’s articulated goals aimed to achieve the Village’s mission in the context of their vision and values.

SWOT Analysis – A strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats in a decision-making or goal-setting process.

Target – The desired achievement level of a particular performance measure.

Tax Base – The assessed valuation of all taxable real and personal property within the Village’s corporate limits.

Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.