

## Budget Glossary

**Capital Assets** – infrastructure, land, buildings, machinery, equipment and other items that provide long term benefits to the community.

**Capital Budget** – the annual plan for the purchase and financing of Capital Assets.

**Capital Budget and Forecast** – the Town’s ten year forecasted work-plan for Capital budget items and the proposed financing of the projects. The annual capital budget is the first year of this multi-year capital forecast.

**MPI – Municipal Price Index** – Serves to measure inflation for the Town and reflects the mix of goods and services purchased by the Town.

**Operating Budget** - the annual plan for the purchase and financing of the Town's operations. It includes salaries, materials and supplies.

**Reserves/Reserve Funds** - reserve and reserve funds are dollars set aside for specific purposes. There are two general types, obligatory (or statutory) reserve funds and discretionary reserve/reserve funds.