

GLOSSARY OF KEY TERMS

AD VALOREM TAX	A tax levied on the assessed value of real property (also known as "property taxes"). These taxes are the primary source of revenue for the County.
ADOPTED BUDGET	The financial plan of revenues, other funding sources, and appropriations for a fiscal year as approved by the Board of County Commissioners.
AGGREGATE TAX RATE	A rate obtained by dividing the sum of all revenue generated by ad valorem taxes levied by the governing body (Board of County Commissioners) by the taxable value of all assessed property in the County. This represents a weighted average tax rate expressed in mills.
AMENDMENT	An increase in the budget from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, reimbursements for damages. This additional funding may, by approval of the Board, be appropriated and expended for that purpose. Any change that decreases the budget and all changes to Proprietary Funds are also budget amendments.
APPROPRIATION	A specific amount of funds authorized by the Board of County Commissioners that represent financial obligations and expenditures to be made.
ASSESSED VALUE	A valuation set upon real estate or personal property by the County's Property Appraiser as a basis for levying taxes.
BALANCE FORWARD	Florida Statutes, Section 129.01(2)(b), provides that the receipts side of the budget shall include 100% of the cash and other net current assets of the accounting entity.
BALANCE FORWARD - CAPITAL	Balance forward reflected in the budget that has been earmarked for capital expenditures. An example would be funds set aside for a capital improvement that is too large to be completed in a single year. The funds set aside to be spent during the second year would be balance forward - designated for capital.
BALANCE FORWARD - OPERATING	Balance forward reflected in the budget that is not restricted in any way.
BALANCE FORWARD - RESTRICTED	Balance forward reflected in the budget when use is restricted by statute or contractual obligation such as bond covenants. Balance forward in debt service funds is "restricted" to debt service.
BALANCED BUDGET	A budget in which revenues and other receipts are equal to appropriations.
BASIS OF ACCOUNTING <i>ACCRUAL</i>	Transactions are recorded when a legally binding financial obligation has occurred.
BASIS OF ACCOUNTING <i>MODIFIED ACCRUAL</i>	Similar to Accrual, but revenues must be both measurable and available during the current fiscal period prior to being recorded as obligations due to a public entity.

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BOND	A written promise to pay a specified sum of money (principal or face value) at a specified future date (the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.
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BUDGET	A comprehensive financial plan of operations which attempts to rationalize the allocation of limited revenues among competing expenditure requirements for a given time period. The budget, once adopted, is the legal authorization to expend County funds during the fiscal year. The budget may be amended during the fiscal year by the governing body and/or management in accordance with established law, procedures, rules, and regulations.
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BUDGET DOCUMENT	The official written statement prepared by the Budget Office and supporting staff that presents the budget to the Board of County Commissioners.
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BUDGET MESSAGE	A general discussion of the proposed budget presented in writing as part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years.
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BUDGET SUPPLEMENT	Any increase in the approved budget resulting from additional funding that does not meet the criteria established for a budget amendment. A budget supplement must be approved, in final form, by the Board at a public hearing conducted for that purpose.
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CAPITAL IMPROVEMENT PROJECTS	Physical assets or improvements, constructed or purchased, that have a minimum cost of \$35,000. Planning, design and engineering studies are considered capital projects if the cost of the study is \$35,000 or more. Capital improvements typically involve physical assets such as buildings, streets, water/wastewater systems, recreation facilities, and major pieces of equipment such as fire trucks.
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CAPITAL IMPROVEMENTS BUDGET	Includes funding for those physical improvements that are programmed for the first year of the Capital Improvement Program. The Capital Improvements Budget is adopted within the framework of the regular budget adoption process. The first year of the CIP will be adopted as an integral part of the annual budget. The CIP includes any construction, land acquisition, equipment purchase, or rental proposal that costs \$35,000 or more and has a five (5) year or longer expected service life. Projects, which may cost less than \$35,000 that are considered necessary for the implementation of any long-term improvement, including implementation of the adopted Comprehensive Plan, shall also be considered a capital improvement.
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CAPITAL OUTLAY	Expenditures for equipment with a value in excess of \$750 and an expected life of more than one year such as automobiles, computers and furniture.

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CAPITAL PROJECT FUNDS	Balanced groups of accounts used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust Funds).
CONTINGENCY	Funds which are set aside to cover unforeseen expenditures that occur during the fiscal year, such as new Federal mandates, cost overruns, and unanticipated events.
COST CENTER	A detail unit of accounting. A number assigned to the description of an activity which may be combined with others to account for a service level or program.
COST CODE	Denotes the cost of goods delivered or services rendered including expenses, capital outlays, and debt source segregated into its natural accounting divisions such as “ salaries, professional fees or office supplies”.
COUNTY BUDGET OFFICER	Each Board of County Commissioners, pursuant to Florida Statute 129.025, shall designate a budget officer to carry out budget duties as set forth in Florida Statute 129.
CURRENT SERVICE LEVEL	Ongoing expense for personnel, services, supplies, and equipment required to maintain service previously authorized by the Board of County Commissioners.
DEBT SERVICE	The payment of principal and interest obligations resulting from the issuance of bonds or other forms of debt.
DEBT SERVICE FUNDS	Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Receipts are primarily property taxes and/or transfers from operating revenues and expenditures are for the repayment of various general obligation bond issues.
DEPRECIATION	The periodic expiration of an asset’s useful life. Depreciation of assets is a requirement in proprietary-type funds (such as enterprise and internal service funds).
ENCUMBRANCES	An obligation in the form of a purchase order, contract or formal agreement that is chargeable to an appropriation and for which a part of the appropriation is intended.
ENTERPRISE FUND	A fund established to account for operations that are financed and operated in a manner similar to private business. The intent is that the full cost of providing the goods or services be financed primarily through charges and fees, thus removing the expense from the tax rate (i.e., Water/Wastewater).
EXPENDITURE	The amount of money actually paid or obligated for payment from County funds.

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FISCAL YEAR	The twelve-month financial period used by the County which begins October 1 and ends September 30 of the following year. The fiscal year is identified by the year in which it ends. For example, October 1, 1998, to September 30, 1999, would be identified as Fiscal Year 1999.
FULL-TIME EQUIVALENT (FTE)	A full-time equivalent is based on the number of hours for which a position is budgeted during the year. Workweek - 40 Hours 1 FTE = 2,080 hrs .5 FTE = 1,040 hrs .25 FTE = 520 hrs
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 fund assets over liabilities. These unspent funds can be included as revenue in the following year's budget. A negative fund balance is sometimes referred to as a deficit.
GENERAL FUND	A fund containing revenues, such as property taxes, designated by law for a special purpose and providing general benefit to the public. Some of the functions that are part of the General Fund include Charter Officers, Courts, and General County Government.
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)	Uniform standards of and guidelines for financial accounting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices at a particular time.
GRANT	A contribution of assets (usually cash) by one government unit or organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.
HOMESTEAD EXEMPTION	A deduction from the total taxable assessed value of owner-occupied residential property. The current maximum exemption is \$25,000. The exemption must be requested by the taxpayer.
INDIRECT COSTS	Costs associated with, but not directly attributable to, the providing of a product or service. These are usually costs incurred by other departments in the support of operating departments.
INTERFUND TRANSFER	Movement of funds from one accounting entity to another.
INTERNAL SERVICE FUND	A fund established from the financing of goods or services provided by one department or agency to other departments or agencies on a fee for service.

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INTRAFUND TRANSFER	Movement of funds between components of an accounting entity.
LEVY	To impose taxes, special assessments, or service charges on the general public for the support of County activities.
LINE ITEM	A specific item or group of similar items defined by detail in a unique account in the financial records. Line items are usually identified by a “cost code” or “commitment item” number.
LONG-TERM DEBT	Debt with a maturity of more than one year after the date of issuance. Later it is further defined as maturing more than one year from the date of the annual published budget.
MANDATE	Any responsibility, action, or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order or that is required as a condition of aid.
MILLAGE	A tax rate on property based on \$1 per \$1,000 of assessed property value.
MUNICIPAL SERVICE BENEFIT UNIT (MSBU)	An MSBU is a special assessment district authorized by Florida Statute 125.01 to provide for improvements and/or services to a specifically defined area of the County and financed by a special assessment to only those citizens receiving the benefits of those improvements of services.
MUNICIPAL SERVICE TAXING UNIT (MSTU)	An MSTU is a taxing district authorized by State Constitution Article VII and Florida Statute 125.01. The MSTU is a legal and financial mechanism for providing specific services and/or improvements to a defined geographical area. An MSTU may levy ad valorem taxes to provide funds for the improvements.
NON-DEPARTMENTAL EXPENDITURES	The costs of government services which are not directly attributable to a specific County department, program, or operation. Examples include the county’s membership in general government organizations or audit fees.
NON-OPERATING REVENUE	The income received by the government not directly attributable to providing a service. An example would be interest on temporary investments.
OPERATING BUDGET	A financial plan for day to day operations which presents proposed expenditures for the fiscal year and estimates of revenue to finance them.
OPERATING EXPENSES	Expenses which are directly related to a department, program, or fund's primary service activities.
OPERATING REVENUES	Revenues which are directly related to a department, program, or fund's primary service activities. They consist primarily of taxes or user charges for services.

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OTHER FUNDING SOURCES	Receipt of funds used to pay for government operations or capital acquisitions which are, by their nature, not considered revenue. Examples are debt proceeds and balance carried forward from previous years. Also referred to as “Other Financing Services”.
PERFORMANCE-BASED BUDGET	Budgets emphasizing expenditures by workload or activity, and including agency-activity performance objectives and accomplishments.
PRIVATE ACTIVITY BOND	Private activity bonds are allocated by the State for private activities having a public benefit which must be induced (initiated) by a government agency.
PRO FORMA	An estimate of financial activity based upon economic, financial projections, estimates, and documented management plans.
PROGRAM	A planned, coordinated group of activities or procedures for a specific purpose. The County generally groups its various services into a number of "programs" with each having an identifiable purpose. A program may represent the activities of a single functional unit of county government, part of a functional unit, or a combination of two or more functional units.
PROGRAM CHANGE	All requests for new positions and the deletions of existing positions. Funding for new programs(s) or deletions of existing program(s) as well as funding expanding service levels or deletion of existing services. Additionally, program changes include capital requests for new equipment.
PROPERTY APPRAISER	The elected county charter officer responsible for setting property valuations for tax purposes and for preparing the annual tax roll.
PROPERTY TAX	Taxes derived from all non-exempt real and personal property located within the County. Property taxes are computed by multiplying the adopted tax rate by the taxable value of all real and personal property.
PROPOSED MILLAGE	The tax rate certified to the Property Appraiser by each taxing authority within the County. The proposed millage is to be sent to the County’s Property Appraiser within 35 days after the County’s tax roll is certified by the Property Appraiser and listed on notices sent to all property owners.
PROPRIETARY FUND	Fund category which emulates the private sector and focuses on the measurement of net income.
REAL PROPERTY	Land and the buildings and other structures attached to it that are taxable under State law.
RESERVE	A specified dollar amount is set aside for a specific purpose such as meeting future expenses. Expenditure of reserved funds requires approval of the Board of County Commissioners.
RESERVE – CAPITAL	A specific amount reserved in the budget for capital improvements or acquisitions scheduled for subsequent fiscal years.

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RESERVE - RESTRICTED	A specific amount reserved in the budget in accordance with statutes or contractual obligations such as bond covenants. Expenditure of these reserve funds requires approval of the Board of County Commissioners and the meeting of certain contractual conditions.
REVENUE	Funds that the government receives as income. It includes such items as tax payments, fees for services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.
REVENUE BONDS	Bonds usually sold for constructing a project that will produce revenue for the government. Also bonds for which a specific revenue source is pledged. The revenue is used to pay the principal and interest of the bond.
ROLLED BACK AD VALOREM TAX RATE	The millage needed to be levied in order to generate the same amount of tax dollars received in the previous fiscal year. The rolled-back rate adjusts for re-appraisals based on the market value of property. The only source of additional tax revenue, if rolled-back is levied, is the tax revenue from new construction of taxable property. Under certain conditions this is unofficially referred to as the rolled-forward rate.
SPECIAL ASSESSMENT	A compulsory levy imposed on certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties. Special assessments are based on the value of the benefit, not the value of the property.
SPECIAL REVENUE FUNDS	Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These specific purposes are not debt service or capital projects.
STATUTE	A written law enacted by a duly organized and constituted legislative body.
SURPLUS FUNDS	Surplus funds, as defined in Florida Statute Chapter 125, are the revenues not needed to support the “day-to-day” operations of the County.
TARGET BUDGET	A budget that equals the current year’s projected operating funding required plus compensation and benefit increases approved in the prior year minus one-time expenditures and new operating capital outlay. The target budget is used in the budget development process.
TAX BASE	The total taxable property valuations on which each taxing authority levies its tax rates.
TAX RATE	The amount of tax stated in terms of a unit of the tax base. For example, 5 mills equal \$5 per \$1,000 of taxable value.
TAX RATE LIMIT	The maximum legal tax rate at which a taxing unit may levy a tax. The limit may apply to or for a particular purpose, or for all purposes.

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TAX ROLL	The certification of taxable/assessed values prepared by the Property Appraiser and presented to the taxing authority by July 1 (or later if an extension is granted by the State of Florida) each year.
TAXABLE VALUATION	The value used for computing the ad valorem taxes levied against property. The taxable value is the assessed value less any exclusions or exemptions allowed by law. An example of the most common exemption is the \$25,000 homestead exemption allowed if the owner uses the property as the principal residence.
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. The term does not include charges for services such as water/wastewater service charges.
TENTATIVE MILLAGE	The tax rate adopted in the first public budget hearing of a taxing agency. Under State law, the agency may reduce but not increase the tentative millage during the final budget hearing.
TRUST AND AGENCY FUNDS	Funds used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or funds. These funds are not part of the budget process.
TRUTH IN MILLAGE LAW (TRIM)	A 1980 Florida law which established the budget on tax levying process for local taxing governments. It was designed to keep the public informed about the intentions of the various taxing authorities.
UNINCORPORATED AREA	That portion of the County which is not within boundaries of any municipality.
USER CHARGES (FEES)	The payment of a fee for direct receipt of a public service by those individuals benefiting from the service.
VOTED MILLAGE	Property tax levies authorized by voters within a taxing authority. Bond issues that are backed by property taxes are a common form of voted millage in the State of Florida. Such issues are called general obligation bonds.
