

## GLOSSARY OF KEY TERMS

---

<b>AD VALOREM TAX</b>	A tax levied on the assessed value (net of any exemptions) of real personal property. They are commonly referred to as "Property Tax."
<hr/>	
<b>ADOPTED BUDGET</b>	The financial plan of revenues, other funding sources, and appropriations for a fiscal year as approved by the Board of County Commissioners.
<hr/>	
<b>AGGREGATE MILLAGE RATE</b>	The sum of all ad valorem taxes levied by the governing body of a county for countywide purposes excluding voted debt, plus ad valorem taxes levied for any district dependent to the governing body, divided by the total taxable value of the county, converted to a millage rate. Expresses an "average" tax rate.
<hr/>	
<b>APPROPRIATION</b>	A legal authorization granted by a legislative body (e.g., Board of County Commissioners) to incur obligations and make expenditures for specific purposes.
<hr/>	
<b>ASSESSED VALUE</b>	A valuation set upon real estate or personal property by the County's Property Appraiser as a basis for levying taxes.
<hr/>	
<b>BALANCE FORWARD</b>	A Fund Balance (see Glossary) carried over from the prior fiscal year and included as revenue in the current year's budget.
<hr/>	
<b>BALANCE FORWARD - CAPITAL</b>	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.
<hr/>	
<b>BALANCE FORWARD - OPERATING</b>	Balance forward reflected in the budget that is not restricted in any way.
<hr/>	
<b>BALANCE FORWARD - RESTRICTED</b>	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.
<hr/>	
<b>BALANCED BUDGET</b>	A budget in which estimated revenues and other receipts are equal to appropriations. Florida Statutes require that budgets be balanced and the County complies after including balances forward.

---

## GLOSSARY OF KEY TERMS

---

### **BALANCED SCORECARD**

a performance management system used to translate strategy into tangible objectives and measures – uses four perspectives to ensure a balanced approach to evaluating achievement of organizational strategy – visual representation of organizational strategy and game plan.

---

### **BASIS OF ACCOUNTING ACCRUAL**

A system that recognizes revenues and expenses as they occur, regardless of when payment is actually made. The system is used by businesses and by certain government funds that operate like businesses.

---

### **BASIS OF ACCOUNTING MODIFIED ACCRUAL**

A system in which revenues are recognized in the period in which they become measurable and available. Expenditures are recognized in the period in which the fund liability is incurred. Most government funds utilize this method.

---

### **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 rate. Bonds are typically used for long-term debt to pay for specific capital expenditures.

---

### **BUDGET**

A comprehensive financial plan of operations which matches anticipated revenues with proposed expenditures. The budget, once adopted, is the legal authorization to expend County funds during the fiscal year. Most local governments have two budgets - the "Operating Budget" and the "Capital Improvements Budget." The budget may be amended by the governing body and/or management in accordance with established rules and regulations.

---

### **BUDGET AMENDMENT**

An increase in the total of the current budget resulting from the receipt of funds from an unanticipated source in the adopted budget and where the appropriations are for a specific purpose related to the receipt. Also, any change to the total budget of a Proprietary Fund and any change which results in the decrease in the total of the current budget.

---

### **BUDGET DOCUMENT**

The official written statement prepared by the Budget Office and supporting staff that presents the budget to the Board of County Commissioners.

---

### **BUDGET MESSAGE**

A general discussion of the proposed budget presented as part of, or supplement to, the budget document. The budget message explains principal budget issues against the background of financial conditions and presents recommendations of the County Manager.

---

## **GLOSSARY OF KEY TERMS**

---

<b>BUDGET SUPPLEMENT</b>	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.
<hr/>	
<b>CAPITAL IMPROVEMENTS BUDGET</b>	A budget that includes funding for those approved projects contained in the first year of the Capital Improvement Program. The first year of the CIP is as an integral part of the annual budget and is adopted within the framework of the regular adoption process.
<hr/>	
<b>CAPITAL IMPROVEMENT PROGRAM (CIP)</b>	A plan for capital expenditures to be incurred each year over a fixed period of years to meet anticipated capital needs. 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.
<hr/>	
<b>CAPITAL IMPROVEMENT PROJECTS</b>	Physical assets or improvements, constructed or purchased, costing a minimum of \$35,000. Planning, design and engineering studies are considered capital projects if the cost of the 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.
<hr/>	
<b>CAPITAL OUTLAY</b>	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.
<hr/>	
<b>CAPITAL PROJECT FUNDS</b>	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).
<hr/>	
<b>CONTINGENCY</b>	Funds which are set aside to cover unforeseen expenditures that occur during the fiscal year, such as new Federal or State mandates, cost overruns, and unanticipated events.

---

## GLOSSARY OF KEY TERMS

---

<b>COST CENTER</b>	Represents the organizational areas of responsibility for budgetary monitoring and reporting. It is a number assigned to an activity which may be combined with others to account for a service level or program. Also referred to as fund center in SAP.
<b>COST CODE</b>	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”.
<b>COUNTY BUDGET OFFICER</b>	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. The Brevard County Manager is designated as the County Budget Officer.
<b>DEBT SERVICE</b>	The payment of principal and interest obligations resulting from the issuance of bonds or other forms of long term debt.
<b>DEBT SERVICE FUNDS</b>	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, sales tax and/or transfers from operating revenues and expenditures are for the repayment of various general obligation bond issues.
<b>DEFICIT (Budget)</b>	The excess of budgeted expenditures over estimated revenues and receipts.
<b>DEPARTMENT</b>	An organizational unit responsible for carrying out a major governmental function; such as Public Works or Library Services.
<b>DEPRECIATION</b>	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 and is not a budgeted line item).
<b>ENCUMBRANCES</b>	An obligation in the form of a purchase order, contract or formal agreement that results in an amount of money committed for the future payment for goods or services not yet received.
<b>ENTERPRISE FUND</b>	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).

---

## GLOSSARY OF KEY TERMS

---

<b>EXPENDITURE</b>	The amount of money actually paid or obligated for payment from County funds for the purpose of acquiring an asset or the cost of goods and/or services required..
<b>FISCAL YEAR</b>	A 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, 2010 to September 30, 2011, would be identified as FY 2011.
<b>FULL-TIME EQUIVALENT (FTE)</b>	A full-time equivalent position is based on the number of hours for which a position is budgeted during the year based on a full time work week being equal to 40 hours.  1 FTE = 2,080 hrs .5 FTE = 1,040 hrs .25 FTE = 520 hrs
<b>FUND</b>	An independent fiscal 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.
<b>FUND BALANCE</b>	The excess of fund assets over liabilities. These unspent funds can be included as revenue (balance forward) in the following year's budget. A negative fund balance is sometimes referred to as a deficit.
<b>FUND CENTER</b>	SAP Terminology used to reference a cost center.
<b>GENERAL FUND</b>	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.
<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)</b>	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.
<b>GRANT</b>	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.

---

## GLOSSARY OF KEY TERMS

---

**HOMESTEAD EXEMPTION**

A deduction from the total taxable assessed value of owner-occupied residential property. For all permanent residents of Florida, the first \$25,000 of value of an owner-occupied residence is exempt. Every property that receives a homestead exemption is also entitled to an additional exemption of up to \$25,000. The additional exemption is applied to the assessed value greater than \$50,000. This additional exemption does not apply to school taxing districts. The exemptions must be requested by the taxpayer.

---

**IMPACT FEE**

A charge to a developer and/or an owner/builder to offset the cost of providing capital facilities to meet growth demands. The County assesses impact fees for correctional facilities, educational facilities, emergency services, fire/rescue and libraries, A two year moratorium on transportation impact fee assessment went into effect in March, 2009.

---

**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.

---

**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 established for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

---

**INTRAFUND TRANSFER**

Movement of funds between components of the same fund.

---

**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. May be further defined as maturing more than one year from the date of the annual published budget.

---

## GLOSSARY OF KEY TERMS

---

<b>MANDATE</b>	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.
<b>MILLAGE</b>	A tax rate on property based on \$1 per \$1,000 of assessed property value.
<b>MUNICIPAL SERVICE BENEFIT UNIT (MSBU)</b>	A special assessment district authorized by Florida Statute 125.01 to provide for projects 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 projects or services.
<b>MUNICIPAL SERVICE TAXING UNIT (MSTU)</b>	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.
<b>NON-DEPARTMENTAL EXPENDITURES</b>	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.
<b>NON-OPERATING REVENUE</b>	The income received by the government not directly attributable to providing a service. Examples would be balance forward or transfers received from a second fund.
<b>OPERATING BUDGET</b>	A financial plan for day to day operations which presents proposed expenditures for the fiscal year and estimates of revenue to finance them.
<b>OPERATING EXPENSES</b>	Also known as Operating and Maintenance costs. These are day-to-day expenses which exclude capital costs, such as office supplies, maintenance of equipment and travel.
<b>OPERATING REVENUES</b>	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.
<b>OTHER FUNDING SOURCES</b>	Receipt of funds used to pay for government operations or capital acquisitions which are, by their nature, not considered revenue such as debt proceeds. Also referred to as "Other Financing Services".

---

## **GLOSSARY OF KEY TERMS**

---

**PERFORMANCE-BASED BUDGET**

An annual, integrated performance plan, indicating the relationship between the levels of program funding and the anticipated outcomes.

---

**PERFORMANCE MANAGEMENT**

The process of determining whether measurable goals and objectives are achieving intended outcomes. This process includes determining measures, monitoring measures, and reporting measures to all stakeholders for the purpose of communicating effectiveness, efficiency, transparency, accountability, and value. The measures are also used to make informed decisions

---

**PERFORMANCE MEASURES**

Quantifiable, enduring measures of outcomes, quality, efficiency, cost-effectiveness, process, inputs and outputs of services or goods you provide – embedded within objectives.

---

**PERSONAL SERVICES**

Costs related to compensating employees, including salaries and wages and fringe benefit costs.

---

**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**

A "what-if" projection of financial activity based upon forecasts of: economic conditions, financial transactions, 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**

Program changes reflect requests for new positions and deletions of existing positions, funding for new program(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.

---

## GLOSSARY OF KEY TERMS

---

<b>PROPERTY TAX</b>	Taxes derived from all non-exempt real and tangible personal property located within the County. Property taxes are computed by multiplying the adopted tax rate by the taxable value of all real or personal property.
<b>PROPOSED MILLAGE</b>	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.
<b>PROPRIETARY FUND</b>	Fund category which emulates the private sector and focuses on the measurement of net income.
<b>REAL PROPERTY</b>	Land and the buildings and other structures attached to it that are taxable under State law.
<b>RESERVE</b>	A specified dollar amount set aside for a specific purpose such as meeting future expenses. Expenditure of reserved funds requires approval of the Board of County Commissioners.
<b>RESERVE – CAPITAL</b>	A specific amount reserved in the budget for capital improvements or acquisitions scheduled for subsequent fiscal years.
<b>RESERVE - RESTRICTED</b>	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.
<b>REVENUE</b>	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.
<b>REVENUE BONDS</b>	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.

---

## GLOSSARY OF KEY TERMS

---

<b>ROLLED BACK AD VALOREM TAX RATE</b>	The millage rate which, exclusive of new construction, will provide the same property tax revenue for the taxing entity as was levied during the prior year. The rolled-back rate accounts for changes in the market value of property and represents "no tax increase." The only source of additional revenue under rolled-back rate is taxes levied upon new construction.
<b>SAP</b>	Systems Applications and Products in Data Processing. Brevard County's current business software application.
<b>SERVICE LEVEL</b>	Services or products which comprise the actual or expected output of a given program.
<b>SERVICE LEVEL IMPACT</b>	Represents the projected change in the unit of output anticipated for delivery of services or products; related to a project, program, or department. The expected change in service level is the result of a modification in the funding level.
<b>SPECIAL ASSESSMENT</b>	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.
<b>SPECIAL REVENUE FUNDS</b>	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.
<b>STATUTE</b>	A written law enacted by a duly organized and constituted legislative body.
<b>TARGET BUDGET</b>	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 capital improvement projects. The target budget is used in the budget development process.
<b>TAX BASE</b>	The total taxable property valuations on which each taxing authority levies its tax rates.
<b>TAX RATE</b>	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. Also referred to as the millage rate.
<b>TAX RATE LIMIT</b>	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 general purposes.

---

## **GLOSSARY OF KEY TERMS**

---

<b>TAX ROLL</b>	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.
<b>TAXABLE VALUATION</b>	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.
<b>TAXES</b>	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 rendered only to those paying charges such as water/wastewater service charges.
<b>TENTATIVE MILLAGE</b>	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.
<b>TRUST AND AGENCY FUNDS</b>	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.
<b>TRUTH IN MILLAGE LAW (TRIM)</b>	A 1980 Florida law which changed the budget process for local taxing governments. It was designed to keep the public informed about the intentions of the various taxing authorities.
<b>UNINCORPORATED AREA</b>	That portion of the County which is not within boundaries of any municipality.
<b>USER CHARGES (FEES)</b>	The payment of a fee for direct receipt of a public service by those individuals benefiting from the service.
<b>VOTED MILLAGE</b>	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.

---