

GLOSSARY OF BUDGET TERMS

Accrual Accounting: A basis of accounting in which revenues are recorded when earned and expenses are recorded at the time they are incurred, instead of when cash is actually received or disbursed.

Actual: Monies which have already been used or received.

Ad Valorem Tax: A tax levied on the assessed value (net of any exemptions) of real or personal property. This is commonly referred to as property tax.

Adjusted Final Millage: The actual tax rate levied by a local government when tax bills are issued. The rate is adjusted for corrected errors in property assessments for tax purposes and for changes in assessments made by property appraisal adjustment boards in each county. Usually, such changes are very slight and the adjusted millage sometimes does not change from the levy set by the taxing authority. State law provides for certain limitations.

Adopted budget: The financial plan of revenues and expenditures for a fiscal year as approved by the Leon County Commission.

Aggregate Millage Rate: The sum of all property tax levies imposed by the governing body of a county. State law limits the aggregate rate for a county or municipality to \$10.00 per \$ 1,000 of assessed taxable value.

Amendment: A change to an adopted budget that may, or may not, increase or decrease a fund total. The change must be approved by the County Commission in certain instances.

Appropriated Fund Balance: Fund balance included as a resource in the annual budget.

Appropriation: A specific amount of funds authorized by the Leon County Commission to which financial obligations and expenditures may be made.

Assessed Value: A value established by the County Property Appraiser for all real or personal property for use as a basis for levying property taxes.

Balance: The balance for the current fiscal year. Balance is the difference between the projected expenditures and the expenditures occurred (balance= Budget- Expenditures).

Board of County Commissioners (BOCC): Elected Officials who make legislative decisions concerning policies

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate as detailed in a bond ordinance.

Budget: A balanced fiscal plan of programs, services, and construction projects, funded within available revenues and bounded within a specific period of time, usually 12 months. A balanced budget is a budget where anticipated revenues are evenly matched with proposed expenditures.

Budget Hearing: The public hearings conducted by the Leon County Commission to consider and adopt the annual budget.

Budget Message: A brief written statement presented by the County Administrator to explain principal budget issues and to identify policy-related issues to the Leon County Commission.

Capital Improvement Projects: Physical assets, constructed or purchased, that have a minimum useful life of ten years and a minimum cost of \$10,000. These may include buildings, recreational facilities, road and drainage structures, and large pieces of equipment.

Capital Improvement Program (CIP): A five-year plan for providing public physical improvements. The program provides the following information for each project: a time frame for completion, the location, description, an annual estimated expenditure and the proposed method of financing.

Capital Outlay: Annual operating expenditures for the acquisition of, or addition to, fixed assets. These expenditures must cost more than \$200 and less than \$10,000 and will include construction projects, purchases of land, major renovations or repairs to existing grounds or facilities and acquisition of equipment.

Constitutional Officer: Positions established by Florida's Constitution. In Leon County there are five elected constitutional officers: Tax Collector, Sheriff, Property Appraiser, Supervisor of Elections, and Clerk of the Court.

Contingency: A budgetary reserve to provide for emergency or unanticipated expenditures during the fiscal year.

Continuation Budget Request: Includes funding required to continue the existing level of service in the service area.

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County Administrator: The Chief Executive Officer of the County appointed by the Leon County Commission.

Customer: The recipient of an output product or service. May be internal or external to the organization.

Debt Service: The expense of retiring such debts as loans and bond issues. It includes principal and interest payments, payments for paying agents, registrars, and escrow agents.

Debt Service Fund: An account established to accumulate resources for, and payment of, general long-term debt principal and interest.

Deficit: The excess of expenditures over revenues during a fiscal year.

Department: A basic organizational unit of County government which is functionally unique in its service delivery and is comprised of more than one program.

Encumbrance: The commitment of appropriated funds to purchase an item or service.

Enterprise Fund: A governmental accounting fund for operations that function similarly to private business enterprises. The cost of providing these types of services is derived by user fees and other charges for service.

Exemption: A portion of the total assessed valuation of property which is not subject to property taxes. An example is the homestead exemption which provides qualifying homeowners with a \$25,000 exemption on their personal residential property.

General Fund: The fund used to account for all financial resources that are derived from ad valorem (property) taxes, licenses, permits, and other general revenues that will be used to support services that are provided on a countywide basis.

Grant: A contribution by a government or other organization to support a particular function. Grants may be classified as either operation or capital, depending upon the grantee.

Indirect Cost Reimbursement: Payments made to the County's general fund by enterprise or grant-funded programs to cover administrative overhead costs incurred by the County.

Intergovernmental Revenue: Revenue collected by one

government and distributed (usually through some predetermined formula) to another level of government(s).

Internal Service Fund: A fund established for the purpose of accounting for the transactions between government agencies.

Master Lease Program: The method used to finance the purchase of new equipment and refinance existing equipment leases.

Millage Rate: The rate used to calculate taxes based upon the assessed value of real property, countywide. One mill of tax is equal to \$1.00 for each \$1,000 of taxable property value.

Modified Accrual System: Accounting basis that records revenues when they are earned (whether or not cash is received then) and expenditures when goods and services are received (whether or not cash payments are made then).

Municipal Services Taxing Unit (MSTU): A district created by the county to place the burden of ad valorem taxes upon property in a geographic area to fund a particular service or services. In Leon County, MSTUs exist countywide to fund primary healthcare for the uninsured and emergency medical services.

Object Code: An itemization of accounts within a fund that is used to identify and record the type and amount of expenditures. Some object codes are mandated by the State of Florida Uniform Accounting System.

Operating Budget: A balanced fiscal plan for providing governmental programs and services for a single year.

Operating Expenses: Fund expenses related directly to the fund's primary activities for the current year and not defined as personal or capital outlays.

Operating Transfer: Legally authorized transfer from a fund receiving revenue, to the fund through which the resources are to be expended.

Other Personnel Service (OPS): A temporary position of specific duration not to exceed two years. The positions may be full-time or part-time.

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Performance Objective: A statement that describes in specific and measurable terms the results the program is expected to achieve within a certain time frame.

Personal Services Expense: Expenses for salaries, wages, workers compensation, health/life insurance, and retirement contributions provided to County employees.

Program: A broad function or area of responsibility of government services. It is a basic organizational unit of government that is composed of a group of specific activities and operations directed at attaining a common purpose or goal.

Projection: Estimates of anticipated revenues, expenditures, or other budget amounts for specific time periods, usually in fiscal years.

Property Tax: Taxes levied on all non-exempt real and personal property located within Leon County. Property taxes are computed on the basis of multiplying the millage rate by the assessed value of the property often referred to as *ad valorem tax*.

Proprietary Fund/Agency: Commonly called self-supporting or enterprise, these funds/agencies pay for all or most of their cost of operations from user fees, and receive little or no general property tax support.

Real Property: Land and the buildings or structures that is taxable under state law.

Reserves: Appropriations of funds set aside to cover unanticipated or contingent expenses, shortfalls in revenues, and trusts.

Revenue: Income received from various sources used to finance government services. Revenue categories includes: taxes, licenses and permits; intergovernmental revenue; charges for service; fines and forfeits; miscellaneous; and other financing sources.

Rolled-Back Millage Rate: The millage rate that will provide the same property tax levy as was levied during the previous fiscal year, except for levies on new construction, additions to structures, deletions, and property added due to geographic boundary changes.

Special Assessment: A levy made against certain properties to defray all or part of the cost of a specific capital improvement which benefits the owners of the property.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects that are legally restricted to be used for specific purposes.

State Shared Revenues: Revenues collected by the state and proportionately share with counties and/or municipalities on the basis of specific formulas.

Tax Base: The total property valuations on which taxes are levied.

Tax Roll: The certification of assessed/taxable values prepared by the Property Appraiser and presented to the Board of County Commissioners by July 1 of each year.

Trust Fund: Funds used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

User Fee: The fee charged to individuals or groups that receive a direct benefit of a public service, facility, or good.

Workload Measure: A unit of measure to identify the amount of work or product generated from specific activities. They form the basis for determining the unit's success at reaching its performance objectives.