

GLOSSARY

account number – in accordance with the state chart of accounts, each class of expenditures and revenues is assigned a specific account number for use within the City's accounting system

ad valorem tax – a tax levied on assessed value of real property (land and buildings) and personal property (business equipment) within the City and not expressly exempt; also known as property tax

accrual basis – method of accounting that focuses on total economic resources and recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows

actual – historical data as opposed to budget data; those funds which have been already been received or utilized as opposed to budgeted funds that are merely estimates of possible funds to be received or utilized

annual budget – an estimate of expenditures for specific purposes during the fiscal year (October 1 – September 30) and the estimated revenues for financing those activities

appropriation - an authorization granted by the City Commission to make expenditures and to incur obligations for the purposes specified

assessed valuation – property valuation established by the County Property Appraiser as a basis for levying taxes

balanced budget – budget in which each fund's revenues and appropriations from the fund (if applicable) equal expenditures and appropriations to the fund (if applicable)

bonds - a certificate of debt issued by a government or corporation in order to raise money; the issuer is required to pay a fixed sum annually until maturity and then a fixed sum to repay the principal

budget – expenditure authority created by resolution which is an estimate of anticipated income and expenditures for the fiscal period with a plan to maintain a proper balance between the two

capital – a level of budgetary appropriation that includes expenses for land, building, machinery and equipment; expenditures must equal or exceed \$1,000 to be considered for capitalization and have a useful life that extends beyond a single reporting period

capital project fund – a fund type used to account for the sources and applications of funds related to the acquisition or construction of major capital facilities

CIP – Capital Improvement Program

contingency – an appropriation of funds to cover unforeseen events that occur during the fiscal year

CRA – Community Redevelopment Area; a public entity created to implement redevelopment activities as outlined under Chapter 163, Florida Statutes; the investment generates increased tax revenues which then finance the debt issue (see also TIF)

debt service – the payment of principal and interest on borrowed funds such as bonds

debt service fund – a fund type used to account for the accumulation of resources for the purpose of paying long-term principal and interest

defined benefit plan – pension plan that has terms specifying the amount of benefits to be provided after separation of employment; to be distinguished from a defined contribution plan in which the plan specifies the amount of the contribution to the plan

department – an organizational unit comprised of one or more programs, responsible for carrying out a major governmental function

depreciation – the decrease in value of physical assets due to use and the passage of time

EAR – Evaluation and Appraisal Report; a State-mandated report which evaluates how successful a community has been in addressing major community land-use planning issues through implementation of its comprehensive plan

employer contribution – in the context of pension benefits a term to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer

EMS - Emergency Medical Service

encumbrance – an amount of money committed for the payment of goods and services not yet received (performed) or paid

enterprise fund – a self-supporting fund designed to account for activities supported by user charges and operated in a manner similar to private business enterprises; the Water and Sewer Fund is an example of an enterprise fund

excise tax - a tax assessed on the consumer of a service, usually a utility service that is based upon the level of consumption

expenditure – the amount of money actually paid or obligated for payment from City funds

fiduciary fund – a fund type used to reports assets held in trust for others which therefore cannot be used to support the government's own programs (i.e. pension trust fund)

finances and forfeitures – revenues derived from penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations and for neglect of official duty; confiscated property is an example of this revenue category

fiscal year – any period of 12 consecutive months designated as the budget year; the City's budget year begins October 1 and ends September 30; the year is represented by the date on which it ends. October 1, 2007 to September 30, 2008 would be Fiscal Year 2008 (FY 08)

FY – Fiscal Year

franchise fee – a fee assessed on a business, usually a public utility, in return for giving them the exclusive right to operate inside the City limits

FTE – Full-Time Equivalent, which is calculated on the basis of the number of hours that have been budgeted for a particular position; i.e. 1 FTE = 2080 hours, .5 FTE = 1040 hours

fund – an accounting entity that has a set of self-balancing accounts and that records all financial transactions or specific activities of government functions

fund balance – the resources available for appropriation in accordance with the prescribed basis of budgeting

fund equity - net assets less net capital; noncapital portion of net assets

GAAP - Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board

General fund – the general operating fund of the City which is supported primarily through taxes, fees and intergovernmental revenues and includes most of the essential governmental services such as police, public works, and general administration

General Obligation Bond (GOB) – one of four basic forms of long-term debt that pledges the general credit and taxing powers of the borrowing government and which, therefore, requires voter approval for issuance

GIS – Geographic Information Systems

HOA – Homeowners Association

impact fees – fees charged to developers at the time of development for construction of facilities to serve the development site

interfund transfer – flow of assets between funds without equivalent flow of assets in return and without requirement for repayment

Kiva – land management software

LCIR – the State of Florida’s Legislative Committee on Intergovernmental Relations; provides some intergovernmental revenue estimates for budgetary purposes

LIBOR – London Interbank Offered Rate; the rate at which banks offer to lend unsecured funds to other banks in the London wholesale money market

Local Option Gas Tax – a tax established in 1983 to fund transportation-related improvements

major fund – a fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental *or* enterprise funds and at least 5 percent of the aggregate amount for all governmental *and* enterprise funds for the same item

maximum millage rate – the maximum millage that a county or municipality may levy with a simple majority vote of the governing body; other voting requirements will allow a municipality to adopt a millage rate in excess of the maximum millage rate

millage rate – the tax rate on real and personal property, with one mill equal to \$1.00 per \$1,000 of assessed property value

modified accrual basis – method of accounting that focuses on current financial resources; revenues are recognized when measurable and available, expenditures are recognized when governments usually liquidate the liability rather than when that liability is first incurred

MSTU – Municipal Services Taxing Unit; funding mechanism to create a special taxing district to make improvements to the community

MUNIS – the City’s financial software system

nonmajor fund – a fund that does not meet the definition of a major fund (see definition for major fund)

operating budget – that part of the budget to support expenditures supported by income that is annually recurring

operating costs – those costs not defined as capital and related financing, noncapital financing, or investing activities

original budget – the first complete appropriated budget which is approved at the second public hearing in September.

proprietary fund – a fund type whose focus is on profit and loss aspects (operating income, changes in net assets, financial position and cash flows); Enterprise Funds and Internal Service Funds are the two types of Proprietary Funds.

retirement benefit multiplier – the rate applied to the average compensation multiplied by the employee’s years of accrual service to yield the amount payable under the normal retirement pension

rolled-back millage rate – the tax rate which produces the same amount of taxes as levied in the prior year when calculated against the current year’s tax base exclusive of new construction

ROW – Right of Way; as in road right of way

special revenue fund – a fund established for the purpose of accounting for specific sources which are restricted by law or policy to finance specific activities

TIF – tax increment financing; a tool to use future gains in taxes to finance the current improvements that will create those gains. Property values in the CRA are capped at the assessed value in the base year; thereafter, any tax revenues due to increases in value in excess of the base are dedicated to the redevelopment area.

TLBD – Tusawilla Lighting and Beautification District; an assessment district

TMDL – Total Maximum Daily Load is a calculation of the maximum amount of a pollutant that a waterbody can receive and still meet water quality standards

transfers – see interfund transfers

Truth in Millage (TRIM) – State statutes governing the determination of millage for taxing authorities; requires strict parameters for advertising, public hearings, levy methods, etc.

user charges – the payment of a fee for direct receipt of a public service by the party benefiting from the service

utility tax – a tax levied by cities on the consumers of various utilities such as electricity, gas, and telephone service

W&S – Water and Sewer Utility Fund

WTP – water treatment plant