

## Budget Terms



### Ad Valorem Tax

A tax levied in proportion to the value of the property.



### Adopted Budget

The adopted budget is the financial plan for the fiscal year, required by law to be approved by the Sarasota County Commission.



### Appropriation

The legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. The amount of an appropriation and its amount usually are limited. It is the act of appropriation that funds the budget.



### Assessed Value

A valuation on real estate or other property by a government as a basis for levying taxes. Taxable valuation is calculated from an assessed valuation. The assessed value is set by the Property Appraiser.



### Bond

Written evidence of the issuer's obligation to repay a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining that rate.

### Budget

A financial plan containing an estimate of proposed revenues and expenditures for a given period (typically a fiscal year).

### Capital Budget

The financial plan of capital project expenditures for the fiscal year beginning Oct. 1. It incorporates anticipated revenues and appropriations included in the first year of the six-year Capital Improvements Program (CIP) and any anticipated unspent appropriation balances from the previous fiscal year. The Capital Budget is adopted by the Board of County Commissioners as a part of the annual county budget.

### Capital Improvement Program (CIP)

A proposed plan for a fixed period of years to finance long-term work projects that lead to the physical development of the county.

### Capital Outlay or Capital Equipment

Items such as office furniture, fleet equipment, data processing equipment and other operating equipment with a unit cost of \$1,000.



### **Capital Project**

An improvement or acquisition of major facilities, roads, bridges, buildings or land with a useful life of at least five years.



### **Charge for Services**

Charges for a specific governmental service which cover the cost of that service. (Building permits, animal licenses and park fees, for example.).



### **Constitutional Officers**

Elected county officials whose positions are created in the Florida Constitution They administer a specific function of county government and are directly accountable to the public. Not all elected officials are Constitutional officers.



### **Core Service**

A core service is an essential function that breaks down into one or more business processes critical to the successful achievement of outcomes. A major service component of the county which indicates overall management responsibility for a group of related operations that cross functional areas, due to the consistent nature of services performed, to serve a common set of customers and to gain economies of scale. It may have more than one fund as a revenue source for the services it provides.



### **Debt Service**

The money required to repay funds borrowed by issuing bonds or a bank loan. The components of the debt service payment typically include an amount to retire a portion of the principal amount borrowed (For example, amortization), as well as interest on the remaining outstanding unpaid principal balance.

### **Debt Service Fund**

An account into which an issuer makes periodic deposits to provide money to pay debt service requirements (For example, principal and interest). The amounts deposited into the debt service fund and payments from it are determined by terms of the bond covenants.

### **Dependent Special District**

A special district whose governing body or budget is established by the governing body of the county or municipality.

### **Elected Officials**

Elected officials include the Board of County Commissioners, Judiciary, State Attorney, Public Defender and five Constitutional officers: Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and the Tax Collector.



### **Enterprise Fund**

A fund used for operations that are financed and operated like private businesses - the governing body wants to pay for the costs (expenses, including depreciation) of goods or services to the public with user charges.



### **Fire Protection District**

A designated area in the county where non-ad valorem revenues are collected from property owners to finance fire suppression services.



### **Fiscal Year**

A 12-month budget period. At the end of this time, a governmental unit determines its financial position and the results of its operations. The Sarasota County fiscal year begins Oct. 1 and ends Sept. 30 of the next year.



### **Fund**

An accounting entity with a set of self-balancing accounts established for finances of a function or activity. The resources and uses are segregated from other resources to carry out specific activities or attain specific objectives in compliance with special regulations, restrictions or limitations.



### **Funding Sources**

The type or origination of funds for ongoing or one-time expenditures. (Ad valorem taxes, user fees, licenses, permits and grants.)

### **General Fund**

This fund accounts for all financial transactions except those required to be accounted for in other funds. The fund's resources, ad valorem taxes and other revenues provide services or benefits to all residents of Sarasota

### **Impact Fee**

A fee imposed on new development in to pay for the additional demand generated. Sarasota County collects impact fees to fund roads, libraries, and parks and recreation.

### **Infrastructure**

Infrastructure is a building, road or water transmission system that provides public services.

### **Intergovernmental Revenue**

Revenue collected by one government and distributed to another level of government.

### **Internal Service Fund**

A fund established to finance and account for services and commodities furnished by one department to other departments on a cost reimbursement basis.



### **Lighting Improvement District (LID)**

Compulsory levies against certain properties to defray all or part of the cost of specific lighting improvements or services presumed to be of general benefit to the public and of special benefit to the assessed property.



### **Mandate**

A requirement imposed by a legal act of the federal, state or local government.



### **Millage Rate**

A rate applied to a property's taxable value to determine property tax. As used with ad valorem (property) taxes, the rate expresses the dollars of tax per \$1,000 of taxable value (For example, a 5-mill tax on \$1,000 is \$5).



### **Mission Statement**

A brief statement that explains "who we are, why we exist, and what we do."



### **Municipal Service Taxing Unit (MSTU)**

The MSTU is a legal and financial mechanism to provide specific services and/or improvements. A MSTU may levy ad valorem taxes without a referendum. An MSTU may also use assessments, service charges or other revenue to provide resources. The MSTU is one type of dependent special district. In Sarasota County, the MSTU covers all the unincorporated area of the county.

### **Operating Budget**

The operating budget includes appropriations for recurring and onetime expenditures for day-to-day operations (For example, salaries and related benefits, operating supplies, contractual and maintenance services, professional services and software).

### **Personal Services**

Expenses for salaries, wages and related employee benefits.

### **Public Improvement District (PID)**

Compulsory levies against certain properties to defray all or part of the cost of specific road improvements or services presumed to be of general benefit to the public and of special benefit to the assessed property.

### **Reserves**

Funds to meet anticipated and unanticipated needs. The balance of revenues not required for operation in the budget year. Funds required to be set aside by bond covenants and accumulated funds set aside to finance capital construction on a pay-as-you-go basis.



### **Revenue**

The amount estimated to be received from taxes, fees, permits or other sources during a fiscal year.



### **Revised Budget**

The current year adopted budget adjusted to reflect all budget amendments approved by the Board of County Commissioners.



### **Rolled-Back Rate**

The “rolled-back rate” is that millage rate which, when applied to the total amount of taxable value of property (excluding new construction), produces the same amount of tax dollars as the previous year.



### **Service Level (SL)**

A defined service level following an evaluation. A SL indicates the priority of the service and a possible service reduction if resources are necessary for another purpose.

### **Special Assessment Fund**

A fund used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.



### **Special Revenue Fund**

A fund used for specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes.

### **Statute**

A written law enacted by a duly organized and constituted legislative body.

### **Taxes**

Taxes are compulsory charges to finance services.

### **Taxable Value**

The assessed value of property minus any authorized exemptions (agricultural, homestead exemption). This value is used to determine the amount of property (ad valorem) tax levied.

### **Transfers**

Because of legal or other restrictions, money in one fund may be needed in other funds. This is accomplished through transfer-in (a source of funds) for the recipient fund and an equal transfer-out (a use of funds) for the donor fund. When this occurs between different funds, it is known as an interfund transfer.



### **Truth in Millage Notice (TRIM)**

The Property Appraiser sends a TRIM Notice to all property owners as required by law, usually each August. The TRIM Notice tells property owners the taxable value of their property and provides information on proposed millage rates and taxes as estimated by each Sarasota County taxing authority which includes the County Commission, School Board, cities, etc. The TRIM Notice also gives property owners information on proposed millage rates and taxes as estimated by the county's taxing authorities. It also states when and where these authorities will hold public meetings to discuss tentative budgets and set the final tax millage rates.

### **Unincorporated Area**

That portion of the County that is not within the boundaries of any municipality.