

Budget Terms

Ad Valorem Tax

A tax levied by a local government against the assessed valuation of real or personal property. The amount of tax is determined by multiplying the taxable value of the property times the millage rate.

Adopted Budget

Revenues and appropriations approved by the Board of County Commissioners, through a series of workshops and public hearings, for a fiscal year.

Appropriation

A legal authorization granted by the Board of County Commissioners to make expenditures and to incur obligations for specific purposes. Appropriations are made for fixed amounts of operating funds and are granted for a one-year period.

Assessed Valuation

A valuation established for real property or tangible personal property by a government as a basis for levying taxes. Assessed valuation is required to approach 100% of market value in Florida. Real property is appraised at assessed valuation at time of construction or major remodeling, and all property is reappraised as to assessed valuation every three years.

BCC

Acronym used for the Board of County Commissioners.

Budget

A plan of financial operation that provides an estimate of proposed expenditures for a given period and the proposed means of financing those expenditures. The budget, once adopted, is the legal authorization to expend County funds during the identified fiscal year. The budget may be amended during the fiscal year by the Board of County Commissioners and/or County Administrator but only within the limitations specified by State Statutes and/or administrative rules and regulations.

Business Center (BC)

A major service component of the County that indicates overall management responsibility for an operation or a group of related operations within a functional area. In other words, it is an organization of core businesses and support services grouped together in order to gain economies of scale. They may also be grouped together in order to serve a common set of customers or due to the consistent nature of their performed services. A core service may have more than one fund as a revenue source for the services. The BC code is the code that identifies a particular business center. *Business Center Name* is the name or description of a business center respective to a specific business center code.

Business Unit

A group of resources organized to provide related services. A Bus-Unit code is the numeric code associated with a business unit. Business Unit Name is the name of a

particular business unit.

Capital Improvement Budget

Includes budgets for purchase of land or land improvements thereto; purchase or construction of buildings or major improvements thereto; purchase or construction of improvements to items other than buildings such as roads, bridges, sidewalks and fences, etc.

Capital Improvement Program (CIP)

A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Outlay

Expenditures relating to the purchase of equipment, land and other fixed assets.

Capital Project

Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Projects Funds

These funds account for the financial resources to be used for the acquisition and/or construction of major capital facilities, other than those financed by proprietary funds. Each year the County appropriates money for the work to be completed that fiscal year. Total project funding is carried forth until the project is completed, regardless of the number of years. Examples of projects are fire stations, streets, sewer lines and drains, etc.

Constitutional Officers

The Constitutional Officers, so called because their positions are authorized in the State Constitution, include the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

Core Service

Those essential functions that breakdown into one or more business processes that are 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

Payments of principal and interest to bond holders. Generally, annual debt service for a bond issue is comprised of two payments each year. One payment on the bond anniversary date will be equal to the annual principal payment and six months of accumulated interest, and the other payment will be 180 days later and be equal to six months of accumulated interest.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt-principal, interest and other costs. Most general long-term debt is “general obligation” debt, secured by the full faith and credit of the issuing government. It is also used to account for payment of other long-term debts, including notes, lease-purchase agreements, and installment purchase contracts.

Dependent Special District

A special taxing district whose governing body and budget is established by the Board of County Commissioners.

Elected Officials

Elected County and State government officials other than members of the Board of County Commissioners. They include the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, Tax Collector, members of the Charter Review Board, Public Defender, and State Attorney.

Enterprise Funds

Enterprise Funds are used to account for operations that are either financed or operated in a manner similar to private businesses, or when the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for public policy, management control, accountability or other purposes. Rate schedules for services provided are usually established to insure that revenues are adequate to meet necessary expenditures.

Fiscal Year

A 12-month period of time to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. In Florida, the fiscal year for all local governments extends from October 1 to September 30.

Fund

A fiscal and accounting entity for which the recording of financial transactions is made for the purpose of carrying on specific activities in accordance with the requirements placed upon the use of financial resources. Governments use several types of funds, which are listed here, by type of use.

General Fund

The General Fund accounts for most of the financial resources of the government, as it is the general operating fund for the County. General Fund revenues include property taxes, sales taxes, licenses and permits, service charges and other types of revenue that are not designated by law for a special purpose. The General Fund accounts for most of the departmental expenditures including some costs of community services, development services, maintenance and engineering, public safety, criminal justice services, support services and debt.

Impact Fee(s)

A fee imposed on new development in an amount based upon the average additional facility demand attributable to new development and the average cost of providing the facility capacity needed to accommodate the additional demand generated. Sarasota

County collects impact fees to fund roads, libraries, parks and recreation, public safety facilities, judicial facilities and general government facilities.

Intergovernmental Revenue

Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government(s). A public safety grant from the State to the County is an example of intergovernmental Revenue.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the County, or to other governments, on a 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.

Millage Rate

A rate expressed in thousands. As used with ad valorem (property) taxes, the rate expresses the dollars of tax per one thousand dollars of taxable property values.

Mission Statement

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

Municipal Services Taxing Unit (MSTU)

A special district authorized by the State Constitution Article VII and Florida Statutes 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 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.

Object Code

This is a six digit numeric code, created by the State to insure uniform financial reporting, that represents a line item (such as a revenue item or an expenditure item). If the first digit of the Object code is 3, it represents revenue, and if the first digit is 5, it represents expenditure.

Org Code (Organizational Code)

Org Code is one of the basic building blocks for developing the budget. It is an expenditure account within a fund, separated for the purpose of identifying specific resources that will be applied toward a specific goal. An Org Code consists of eight digits. The first two digits of the Org Code represent the department of a previous organizational structure. With the reorganizations, some of the business units, and some of the organization codes were split up among business centers. However all Org Codes are associated with a business center code in the background to facilitate generation of business center reports. An Org Code Name is the name related to a particular Org Code. For example, the Org Code Name for the Org Code 59300400 is “Reuse Water.”

Personal Services

Category of expenses related to salaries and benefits.

Public Improvement District (PID)

Compulsory levies, non-ad valorem taxes, 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.

Reserve for Contingencies

An amount appropriated consistent with statutory authority that can subsequently be used to meet unexpected needs with Board approval.

Revenue

Income received from various sources used to finance government services.

Revenue Bonds

Debt that is secured only by specific identified revenues. Revenue bonds are explicitly not secured by the full faith and credit of the government. If bondholders are not repaid, they have a legal claim only against the particular revenues used to secure the debt.

Rolled-Back Millage Rate

The millage rate which would generate the same ad valorem tax revenue as was generated the previous year excluding changes in taxable valuation resulting from new construction, annexation or de-annexation. If the proposed aggregate millage rate exceeds the aggregate rolled-back rate, then by law, the advertisement for the public hearings to adopt the millage and budget must contain a prominent notice of the tax increase. The advertisement must state the percentage by which the rolled-back rate is exceeded as the percentage of the proposed tax increase. The rolled-back rate is used in the same manner for individual millage levies.

Service Level (SL)

To achieve good provision of services, some counties define a service level for each service after the appropriate evaluation. A SL indicates the priority of the service, and therefore, a possible reduction from a service, in case its resources are necessary for another purpose.

Special Assessments

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

Special Revenue Funds

Special Revenue Funds are used to account for resources that are subject to certain legal spending restrictions. They are created when a resolution, statute or ordinance requires that specific resources are to be used to finance a particular activity.

Statute

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

Taxable Valuation

The value used for computing the ad valorem taxes levied against property. The taxable





value is the assessed value less any exemptions allowed by law. The most common exemption is the \$50,000 homestead exemption allowed if the owner uses the property as their principal residence. There are also exemptions for disability, government owned and non-profit owned property.

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. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

Transfers In/Out

Amounts transferred from one fund to another to assist in financing the services of the recipient fund. Transfers do not constitute revenues or expenditures of the governmental unit but only of the individual funds. Thus, they are budgeted and accounted for separately from other revenues and expenditures.

Unincorporated Area

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

