

Glossary

**City of Fernandina Beach, Florida
Annual Budget
For Fiscal Year 2015-2016**

GLOSSARY

A

Account – A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control or fund balance.

Ad Valorem Taxes – Property taxes which are computed by applying the millage rate to the assessed value of property after all exemptions have been subtracted. Property taxes are paid to the various local governments through a single payment to the county tax collector.

Amendment – Change to an adopted budget which may increase or decrease a fund total.

Assessed Valuation – County Property Appraiser’s estimation of the fair market value of real or personal property.

Asset – Resources, owned or held by a government, which have monetary value. Assets may be tangible or intangible and are expressed in terms of cost or some other value.

B

Budget – A financial statement listing a governmental agency’s expected incomes and expenditures for a 12-month period. Florida law requires that governments have a balanced budget, with expenses not exceeding revenues. A proposed budget is prepared by the City manager and it becomes formal when adopted by the City Commission. If changes occur during the year, local governments can transfer funds within a budget or raise fees, etc., to keep the budget in balance.

Budget Hearing – Public Hearing conducted to consider and adopt the annual budget.

C

Capital Improvement Program – Governmental agencies set up five-year programs for major long term costs such as the purchase of fire trucks, buildings and land. Capital expenses are listed separately from operating expenses within the budget document.

Capital Outlay: - Costs for the purchase or additions to the land, buildings, vehicles or other equipment with a useful life greater than one year. The asset value must meet or exceed the following thresholds:

Buildings	\$5,000 General Fund; \$2,500 Enterprise Funds
Building Improvements	\$5,000 General Fund; \$2,500 Enterprise Funds
Machinery & Equipment	\$5,000 General Fund; \$2,500 Enterprise Funds
Infrastructure	\$5,000

Contingency Fund – Money set aside for emergencies or unexpected expenses that were not anticipated when the budget was being prepared.

D

Deficit – A term generally applied to the budget as a whole, reflecting real or projected revenue shortages, meaning there are insufficient funds to cover expenses.

Department – Organizational unit of the City under the guidance of a director.

E

Enterprise Fund – A fund established to support a single service from which revenues are received from charges for services to fund the delivery of that service.

Expenditures – Costs incurred by contract, agreement or money actually spent.

F

Fiscal Year – The budget year. For municipal and county governments, the fiscal year runs from October 1 to September 30. For school districts and state agencies, it runs from July 1 to June 30.

Franchise Fees – Money collected, usually from a private utility, in exchange for use of a governmental agency's easements and rights-of-way. Cities and counties authorize the use of these and collect a fee in return.

Full Time Position – Position that qualifies for full city benefits, usually 40 hours.

Fund – A listing within the budget, indicating the revenues and expenditures for a specific category of operation. The largest fund is the General Fund. This fund includes subcategories that support most of the city's operation. Other funds include those for sewer and garbage, capital projects, State and Federal grants, etc.

G

Grant – Contributions by one organization to another for a specific purpose.

I

Impact Fee – A fee to fund the cost of a new development's impact on various City services. This fee is charged to those responsible for the new development as a condition for obtaining a building permit.

L

Liabilities – Debts or other legal obligations arising out of transactions in the past, which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

M

Mill – A tax rate of one dollar (\$1) per one thousand (\$1,000) of taxable property value.

Millage – A figure assigned to each governmental unit with ad valorem taxing authority for use in determining taxes. It determines how much revenue the government will receive from property taxes and how much an individual property owner pays by applying the millage rate to the value of property within the City.

O

Objective – A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objectives should simply be a specific standard of performance for a given program.

Operating Expenses – The costs associated with day-to-day activities of a government not including personal services or capital outlay costs.

Over Budget – Over budget in revenue means that more income was received than budgeted. Over budget in expenses means costs were more than budgeted figures, and generally necessitates that spending must stop or money be transferred into the appropriate account to balance the budget by year-end.

P

Personal Services – Costs for employee salaries, wages and fringe benefits.

Prior Year Carryover – Money not spent on one fiscal year, but carried forward to the next budget. Cash carried forward can be used to pay operating expenses at the beginning of a fiscal year before tax revenue are collected, or during a fiscal year if anticipated revenues have not yet been collected.

Proposed Budget - The budget proposed by the City Manager to the City Commission for review and approval.

R

Recurring Revenues – Revenues that can be expected to be received each year unless specific action is taken to eliminate the source.

Referendum – A question voted on by the citizens of the local government.

Resolution – An expression of a governing body concerning matters of administration, an expression of a temporary character, or a provision for the disposition of a particular item of the administrative business of the governing body.

Revenue – Income received by the City from a variety of sources including taxes, fees, charges for services, grants, borrowing, or other governmental agencies.

Rolled-Back Millage Rate – A tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

S

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a special improvement or service deemed to primarily benefit those properties.

State-Shared Revenue – Money that cities and counties receive from the state. It includes the local share of cigarette taxes, fuel taxes, mobile home license taxes, liquor taxes and sales taxes based on a distribution formula set by State law.

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

T

Taxable Valuation – The value of property after all allowable exemptions have been subtracted; the value on which ad valorem taxes are computed.

Trim Bill – Florida's Truth in Millage law requires cities to calculate next year's budget on the same tax dollars they received during the current fiscal year.

U

Under Budget – Under budget in expenses means either the agency has been spending at a slower rate than expected, or that expenses were over estimate when the budget was prepared. Under budget in revenues means that money being collected from the various sources is not as much as was anticipated; it might necessitate spending adjustments.

User fee – The charging of fees for the use of services such as recreational, sewer and garbage services.

Utility Taxes – Taxes paid to municipalities by users of telecommunication services, electricity, water, natural gas, bottled gas and fuel oil.

V

Valuation – The dollar value of property assigned by the county property appraiser.