

GLOSSARY

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| Ad Valorem Equivalent Funding | Ad Valorem is a tax levied on the assessed value of real or tangible personal property. It is also known as "Property Tax." Equivalent funding includes non-department specific revenues received in the General Fund, Sales Tax revenues, and Electric Utility Tax revenues. |
| Aggregate Millage Rate | The sum of all ad valorem taxes levied by the governing body of a county for countywide purposes excluding voted debt, plus ad valorem taxes levied for any district dependent to the governing body, divided by the total taxable value of the county, converted to a millage rate. Expresses an "average" tax rate. |
| Appropriation | A legal authorization granted by a legislative body (e.g., Board of County Commissioners) to incur obligations and make expenditures for specific purposes. |
| Assessed Value | The fair market value of property (real estate or personal), as determined by the County's Property Appraiser. The assessed value less any exemptions allowed by law is the "taxable value." |
| Balanced Budget | A budget in which estimated revenues and appropriations are equal. Florida Statutes require that budgets must be balanced. The County complies with this after the inclusion of re-appropriated beginning fund balances. |
| Base Budget | Ongoing expense for personnel, contractual services, supplies, and the replacement of equipment required to maintain service levels previously authorized by the Board of County Commissioners. |
| Benchmark | A standard or point of reference used in measuring and/or judging the quality or value. |
| Board of County Commissioners (BCC) | The legislative and governing body of a county. Also referred to as the "County Commission." |
| Bond | A certificate of debt containing a promise to pay a specified sum of money (called the face value or principal) at a specified date or dates in the future (called the maturity date) together with periodic interest at a specified rate. Bonds are typically used for long-term debt to pay for specific capital expenditures. |
| Bond Refinancing | The issuance of bonds to obtain better interest rates and/or bond conditions by paying off older bonds. |

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| Budget | A comprehensive financial plan of operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them and specifying the type and level of services to be provided. Most local governments have two types of budgets -- the "Operating Budget" and the "Capital Improvement Budget." |
| Budget Amendment | An increase or decrease in revenues with a corresponding increase or decrease in appropriations within the same fund. The budgeted fund total is changed. |
| Budget Document | The official written statement which presents the proposed budget to the legislative body (e.g., County Commission). |
| Budget Message | A general discussion of the budget presented in writing as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the County Administrator. |
| Budget Transfer | A transfer of appropriations <u>or</u> revenues between two or more accounts within the same fund. The budgeted fund total is not changed. |
| Capital Equipment | Equipment with a value in excess of \$1,000 and an expected life of more than one year; such as, automobiles, computers, and furniture. |
| Capital Improvement | Physical assets, constructed or purchased, that have a minimum useful life in excess of one year and a minimum cost of \$25,000. Capital improvements typically involve physical assets; such as, buildings, streets, water and sewage systems, and recreation facilities. |
| Capital Improvement Budget | A budget including those approved capital improvement projects contained in the first year of the Capital Improvement Program (CIP). |
| Capital Improvement Program (CIP) | A plan for capital expenditures to be incurred each year over a fixed period of years to meet anticipated capital needs. It sets forth each project or other contemplated expenditure in which the County is to have a part and specifies the full resources estimated to be available to finance the projected expenditures. |
| Capital Outlays | Expenditures which result in the acquisition of, or addition to, fixed assets; such as, buildings, land, and roads. |

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| Capital Project Fund | A fund established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust Funds). |
| Communication Services Tax | A simplified tax structure for communications services, which was implemented in FY 2002. It combined seven different state and local taxes or fees and replaced them with a two tiered tax composed of a state tax and a local option tax on communications services, including cable television. |
| Comprehensive Plan | Required under Chapter 163 of the Florida Statutes, the Plan shall prescribe principles, guidelines, and standards for the orderly and balanced future economic, social, physical, environmental, and fiscal development of the County. |
| Contingency | A reserve of funds which are set aside to cover emergencies or unforeseen events that occur during the fiscal year; such as, new federal or state mandates, shortfalls in revenue, and unanticipated expenditures. |
| County | A political subdivision of the State which is empowered to levy and collect taxes and provide services to citizens within its boundaries. |
| County Budget Officer | Each Board of County Commissioners, pursuant to Florida Statutes, Section 129.025, may designate a county budget officer to carry out budget duties as set forth in Chapter 129. In Palm Beach County, the County Administrator has been designated the County Budget Officer. |
| County Officers | Independently elected officials including the Clerk & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. This is also referred to as "Constitutional Officers." |
| Customer Focused Budgeting and Reporting | A performance based budget process that defines each department's mission, articulates program objectives in measurable terms, and establishes performance measures to track progress towards meeting those objectives. This method of reporting presents the operating budget in terms of major programs and primary services and first appeared countywide in the FY 1997 budget. |
| Debt Service | Payment of principal and interest related to long-term debt. |
| Debt Service Fund | A fund used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest. |

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| Deficit (Budget) | The excess of budgeted expenditures over estimated revenues and receipts. |
| Department | An organizational unit responsible for carrying out a major governmental function; such as, Public Safety or Water Utilities. |
| Dependent Taxing Districts | Taxing Districts that appear separately on the tax bill and are under County control (e.g., County Library). |
| Depreciation | Expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. |
| Encumbrance | An amount of money committed for the future payment for goods and services not yet received. Encumbrances result from the issuance of a purchase order, contract, or formal agreement. |
| Enterprise Fund | A fund established to account for operations that are financed and operated in a manner similar to private business. The intent is that the full cost of providing the goods or services be financed primarily through charges and fees, thus removing the expense from the tax rate (e.g., Water and Sewer). |
| Exemption | A reduction to the assessed value of property. The most common exemption is the \$50,000 homestead exemption allowed if the owner uses the property as the principal residence. There are also exemptions for disability, government, non-profit owned property, and low-income senior citizens. |
| Expenditures | The incurring of a liability, the payment of cash, or the transfer of property for the purpose of acquiring an asset or service or settling a loss. |
| Fiscal Year | Any period of 12 consecutive months designated as the budget year. The fiscal year used by the County, which is set by State Statute, begins October 1 and ends September 30 of the following calendar year. The fiscal year is designated by the date on which it ends. For example, October 1, 2008 to September 30, 2009 would be Fiscal Year 2009. |
| Five-Year Trend | Represents the percentage change of a performance measure from the previous year actual and the five years previous. |
| Fixed Assets | Assets of a long-term character which are intended to continue to be held or used; such as, land, buildings, improvements other than buildings, machinery, and equipment. |
| Franchise Fee | A fee levied on a public service corporation in return for granting a privilege or permitting the use of public property. These fees are usually passed on to the corporation's customers as a cost of doing business. Electricity is subject to franchise fees. |

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| Full-time Equivalent (F.T.E) | The number of approved positions equated to full-time basis (e.g., two half-time positions equal one full-time equivalent position). |
| Fund | An accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives, in accordance with special regulations, restrictions, or limitations. |
| GASB | Governmental Accounting Standards Board |
| Fund Balance | The excess of fund assets over fund liabilities. A negative fund balance is sometimes called a deficit. |
| General Fund | A fund containing revenues, such as property taxes, not designated by law for a special purpose. Some of the departments that are part of the General Fund include Purchasing, Human Resources, and the Office of Financial Management and Budget. |
| Generally Accepted Accounting Principles (GAAP) | Uniform minimum standards of, and guidelines for, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. |
| Goal | A long-range desirable result attained by achieving objectives designed to implement a strategy. |
| Grant | A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from state and federal governments. Grants are usually made for specified purposes. |
| Half Cent Sales Tax | A state-shared revenue source relying on a percentage of net sales tax revenues (one-half of the fifth cent) remitted to the state. Eligible county governments receive a distribution based on population-based formulas. Use of this revenue is restricted to countywide tax relief or governmental programs; as well, as long-term debt obligations related to capital projects. |
| Homestead Exemption | A deduction from the assessed value of property permanently occupied by the owner in the State of Florida. The exemption is now \$50,000 for all property owners who qualify. |
| HOP | Harnessing Organizational Performance (HOP) is an initiative to assess the use and utility of departmental performance measures. |

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| Impact Fee | A charge to a developer and/or owner/builder to offset the cost of providing capital facilities to meet growth demands. The County assesses impact fees for capital facilities for parks, fire-rescue, library, law enforcement, public buildings, schools, and roads. |
| Independent Taxing Districts | Taxing districts that appear separately on the tax bill and are <u>not</u> under County control (e.g., Florida Inland Navigation District, Children Services). |
| Interfund Transfer | Movement of assets (usually cash) from one fund to another. Also referred to as "Transfers In/Out." |
| Intergovernmental Revenues | Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes. |
| Internal Service Fund | A fund established for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. |
| Lease-purchase Agreements | Contractual agreements which are termed "leases", but which in substance amount to purchase contracts for equipment and machinery. |
| Legally Adopted Budget | The total of the budgets of each County fund including budgeted transactions between funds. |
| Levy | To impose taxes, special assessments, or service charges for the support of County activities. |
| Liability | Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. The term does not include encumbrances. |
| Line Item | A specific item or group of similar items defined by detail in a unique account in the financial records. Revenue and expenditure justifications are reviewed, anticipated, and appropriated at this level. |
| Management Team | A "team" consisting of the County Administrator, Deputy County Administrator, the Assistant County Administrators, and Directors of major County Departments. |
| Mandate | Any responsibility, action, or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order or that is required as a condition of aid. |

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| Millage Rate | Rate applied to taxable value to determine property taxes. A mill is 1/10th of a penny, or \$1.00 of tax for every \$1,000 of taxable value. |
| Mission | Describes what the organization does, who it does it for, and how it does it. |
| Municipal Services Benefit | A special district created to provide for projects and/or services to a specifically defined area of the County and financed by a special assessment to only those citizens receiving the benefits of those projects or services. |
| Municipal Services Taxing | A taxing district covering a segment of the County, with individual assessed values and millage rates, which provides municipal-type services; such as, fire-rescue, and road and street improvements to residents of the area. |
| Municipality | A local government having governmental, corporate, and proprietary powers to enable it to conduct municipal government, perform municipal functions, and render municipal services. |
| Net Budget | The gross budget less all interfund transfers and interdepartmental charges. |
| Non-Ad Valorem Assessments | Charges that are not based on property value, but are levied for specific services on each parcel of property. Examples of Non-Ad Valorem Assessments include charges for solid waste disposal, lighting, drainage, and water. |
| Non-Ad Valorem Revenues | Revenues that are derived from a basis other than property value (e.g., Utility Tax, Gas Tax). |
| Non-Countywide Revenue | Revenue derived from unincorporated areas of the County (e.g., Franchise Fees). |
| Non-Countywide Expenditures | Expenditures for the benefit of the unincorporated areas of the County (e.g., Sheriff's Road Patrol, Zoning). |
| Non-Operating Expenditures | The costs of government services which are not directly attributable to a specific County program or operation. Examples of Non-Operating Expenditures include debt service obligations and contributions to Human Service organizations. |
| Non-Operating Revenues | The incomes received by the government which are not directly attributable to providing a service (e.g., interest on investments). |

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| Non-Tax Revenues | The revenue derived from non-tax sources, including licenses and permits, intergovernmental revenue, charges for service, fines and forfeitures, and various other miscellaneous revenues. |
| Objective | Something to be accomplished expressed in specific, well-defined and measurable terms, and achieved within a specific time frame. |
| Operating Budget | A budget for general expenditures; such as, salaries, utilities, and supplies. |
| Performance Measures | Specific quantitative and qualitative measures of work performed. |
| Personal Services | Items of expenditures in the operating budget for salaries and wages paid for services performed by County employees; including fringe benefit costs. |
| Portability | Allows residential property owners with an existing Homestead Exemption to transfer all or a significant portion of their “Save Our Homes” property tax savings to a new property. Portability is an added benefit and is effective January 1, 2008. |
| Property Tax | Taxes derived from all non-exempt real property and tangible personal property used in a business located within the County. Property taxes are computed on the basis of multiplying the millage rate by the taxable value of real or personal property. |
| Proprietary Fund | A fund which operates similarly to the private sector and focuses on the measurement of net income. |
| Reserve | A specified amount of funds set aside for the purpose of meeting future expenses. Expenditures may not be charged directly to reserve accounts. A budget transfer establishing a new appropriation must first be approved by the Board of County Commissioners. |
| Retained Earnings | An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund. |
| Revenue | Funds that the government receives as income. Revenue includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income. |

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| Revenue Bonds | Bonds usually sold to finance the construction of a project that will produce revenue for the government. The revenue is used to pay the principal and interest of the bond. |
| Rolled-back Rate | The millage rate which, exclusive of new construction, will provide the same property (ad valorem) tax revenue for each taxing entity as was levied during the prior year. The rolled-back rate accounts for changes in the market value of property and represents "no tax increase." The only source of additional tax revenue under the rolled-back rate is taxes levied upon new construction. |
| Save - Our - Homes | Section 193.155(1), F.S. provides, beginning in 1995 or the year after the property receives homestead exemption, an annual increase in assessment shall not exceed the lower of 3% or the percentage change in the C.P.I. |
| Senior Homestead Exemption | Certain low-income seniors in Palm Beach County may qualify for an additional \$25,000 exemption on their property's assessed value. For example, a home valued at \$100,000 would be taxed by the county on only \$25,000 after the Homestead and Senior Citizen exemptions are applied. The county's senior exemption does not apply to other taxing authorities, such as the school district and municipalities. |
| Service Level | Services or products which comprise the actual or expected output of a given program. |
| Single-Member District | A form of representation in which the residents of a District are represented by one County Commissioner voted into office by that District's residents. |
| Special Revenue Fund | A fund used to account for specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. |
| Statute | A law enacted by a duly organized and constituted legislative body. |
| Statutory Reserve | Florida Statute 129.01 (2)(b) requires revenues to be budgeted at 95% of reasonably anticipated receipts. Palm Beach County budgets a negative 5% Statutory Reserve to accomplish this. |
| Supplemental Requests | Departmental requests for additional funding in the budget year in order to increase or enhance existing service levels. |
| Tax Equivalent Revenue | Any revenue that can be used to reduce ad valorem funding requirements on a dollar for dollar basis (e.g., franchise fees, utility taxes). |

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| Tax Rate | The amount of tax stated in terms of a unit of the tax base. For example, 4 mills equals \$4 per \$1,000 of taxable value; also referred to as the millage rate. |
| Tax Rate Limit | The maximum legal property tax rate at which a taxing authority may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes. |
| Taxable Value | 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. |
| 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. Nor does the term include charges for services rendered only to those paying such charges (e.g., sewer service charges). |
| Transfers In/Out | Amounts transferred from one fund to another to assist in financing the services of the recipient fund. |
| TRIM Notice | The Florida Truth in Millage Law of 1980 requires a notice be sent annually to property taxpayers explaining any changes in the millage rate of each taxing authority from the prior year. The notice also includes the time and place of the first public hearings on proposed millage rates and is designed to keep the public informed about the taxing intentions of the various taxing authorities. |
| Trust and Agency Fund | A fund used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. |
| Truth in Millage Law (TRIM) | A 1980 Florida law which changed the budget process for local taxing governments. It was designed to keep the public informed about the taxing intentions of the various taxing authorities. |
| Unincorporated Area | That portion of the County which is not within the boundaries of any municipality. |
| Unit | A unit of financial reporting and management responsibility under the County's financial system. |

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User (Fees) 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 the County on the customers of various utilities (e.g., electricity, metered or bottled gas, and water). The tax rate may be levied up to 10.0 percent of the sales price of such utility service or commodity.

Zero Base Budgeting

Zero-based budgeting is a technique of planning and decision-making which reverses the working process of traditional budgeting. In traditional incremental budgeting, departmental managers justify only increases over the previous year budget and what has been already spent is automatically sanctioned. No reference is made to the previous level of expenditure. By contrast, in zero-based budgeting, every department function is reviewed comprehensively and all expenditures must be approved, rather than only increases. Zero-based budgeting requires the budget request be justified in complete detail by each division manager starting from the zero-base. The zero-base is indifferent to whether the total budget is increasing or decreasing. Modified zero-based budgeting avoids documentation of personnel and expenditures considered necessary by starting at a base that is higher than zero.