

***SECTION FOUR:***  
***APPENDIX***

# Glossary

**Account:** A term used to identify an individual asset, liability, encumbrance control, or fund balance.

**Accounting Procedures:** All processes which identify, record, classify and summarize financial information to produce financial records.

**Accounting System:** The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, fund types, balanced account groups, organizational components.

**Accrual Basis:** The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

**Ad Valorem Tax Rate:** Property tax assessed in proportion to the value of the property.

**Amortization:** The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**Appraise:** To make an estimate of value, particularly of the value of property. If the property is valued for purposes of taxation, the less-inclusive term “assess” is substituted.

**Appropriation:** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

**Assessed Valuation:** A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying taxes.

**Asset:** Resources owned or held by a government which has monetary value.

**Assigned Fund Balance:** Amounts the City intends to use for a specific purpose that are neither restricted by external parties nor committed by City Council.

**Authorized Positions:** Employee positions, which are authorized in the adopted budget, to be filled during the year.

**Balanced Budget:** A budget in which planned funds available equal planned expenditures.

**Bond:** A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. Note: The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater formality.

**Bonded Debt:** That portion of indebtedness represented by outstanding bonds.

**Bond Refinancing:** The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

**Budget Calendar:** The schedule of key dates which a government follows in the preparation and adoption of the budget.

**Budget Message:** A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.

# Glossary

**Capital:** Any item with an expected life of more than one year and a value of more than \$1,000, such as automobiles, trucks, furniture, buildings, land, etc.

**Capital Budget:** A plan of proposed capital outlays and CIP as well as the means of financing them for the current fiscal period.

**Capital Improvements Program (CIP):** A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

**Capital Project:** A Capital Project is a capital asset or improvement that costs at least \$50,000 and has a useful lifespan of five (5) years.

**Capital Project Fund:** A fund used to account for the acquisition of fixed assets or construction of major capital projects not financed by proprietary or nonexpendable trust funds.

**Cash Basis:** A basis of accounting in which transactions are recognized only when cash is increased or decreased.

**Central Performance Measures:** The primary measures of performance in a department, where data is collected to determine how effective or efficient a program is in achieving its objectives.

**Chart of Accounts:** The classification system used by a City to organize the accounting for various funds.

**Committed Fund Balance:** Amounts that can be used only for the specific purposes determined by a formal action of the City Council, which is the highest level of decision making authority.

**Communications Service Tax:** A tax that is imposed on the retail sales of communication services including telecommunications, cable, and related services. Effective October 1, 2001, the Communications Service Tax Simplification Law replaced certain franchise and utility fees.

**Comprehensive Plan:** A State mandated plan which requires all units of local government to address their five year planning and development needs, including capital and infrastructure requirements.

**Consumer Price Index:** A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living, i.e., economic inflation.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contractual Services:** Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

**Debt Service:** The cost of paying principal and interest in borrowed money according to a predetermined payment schedule.

**Debt Service Requirements:** The amounts of revenue which must be provided for a debt service fund so that all principal and interest payments can be made in full on schedule.

# Glossary

**Deficit:** An excess of liabilities and reserves of a fund over its assets.

**Department:** The basic organizational unit of government which is functionally unique in its delivery of service.

**Depreciation:** (1) Expiration in service life of fixed assets, other than wasting assets, attributable to wear and tear through use and lapse of time, obsolescence, inadequacy, or other physical or functional cause. (2) The portion of the cost of a fixed asset charge as an expense during a particular period.

**Note:** The cost of a fixed asset is prorated over the estimated service life of such asset and each period is charged with part of such cost so that ultimately the entire cost of the asset is charged off as an expense. In governmental accounting, depreciation may be recorded in propriety funds and trust funds where expenses, net income, and/or capital maintenance are measured.

**Development of Regional Impact (DRI):** Any development which, because of its character, magnitude, or location, would have a substantial effect upon the health, safety, or welfare of citizens of more than one county.

**Encumbrances:** Obligations in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual liability is set up.

**Enterprise Fund:** A fund established to finance and account for operations (1) that are financed and operated in a manner similar to private business enterprises--which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes being those for utilities, swimming pools, and airports. Examples of enterprise funds are those for utilities, swimming pools, and airports.

**Entitlements:** Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

**Expenditures:** If the accounts are kept on the accrual basis, this term designates total charges incurred, whether paid or unpaid including expenses, provisions for retirement of debt not reported as a liability of the fund from which retired, and capital outlays. If they are kept on the cash basis, the term covers only actual disbursements for these purposes. **Note:** Encumbrances are not considered expenditures.

**Expenses:** Charges incurred, whether paid or unpaid for operation, maintenance, interest, and other charges which are presumed to benefit the current fiscal period. **Note:** legal provisions make it necessary to treat as expenses charges whose benefits extend over future periods. For example, purchase of materials and supplies which may be used over a period of more than one year and payments for insurance which may be used over a period of more than one year and payments for insurance which is to be in force for longer than one year frequently must be charged in their entirety to the appropriation of the year in which they are incurred and classified as expenses of that year even though their benefit extends also to other periods.

# Glossary

**Fiscal Policy:** A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

**Fiscal Year:** A twelve-month period of time to which the annual budget applies and at the end of which entity determines its financial position and results of operations. The City's fiscal year begins October 1 and ends September 30.

**Forecast:** To estimate or calculate in advance; to serve as advance indication of.

**The Forbearance Agreement:** A legally binding agreement between the City and certain parties owning land within the City that originated as a result of the sale of the massive MacArthur Foundation landholdings within the City circa 1998. At the time, a temporary building moratorium was contemplated that would have allowed City staff time to address various issues resulting from the anticipated acceleration of development within the City. In an effort to avoid such a moratorium, the Forbearance Agreement was created and adopted establishing a means by which the City could address the anticipated acceleration of development, including but not limited to, forbearing the application to the City for development permits for a specified period of time and limiting the density and intensity of the former MacArthur Foundation land.

**Franchise Fee:** A fee paid for a special privilege granted by a government permitting the right to use public property, such as city streets and rights of way, for the placing and maintaining of equipment and property.

**Fund:** An independent fiscal accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund Accounts:** All accounts necessary to set forth the financial operations and financial condition of a fund.

**Fund Balance:** The excess of a fund's assets over its liabilities.

**General Fund:** The fund that is available for any legal authorized purpose and which is therefore used to account for all revenues and all activities except those required to be accounted for in another fund. **Note:** The General Fund is used to finance the ordinary operations of a governmental unit.

**General Obligation Debt:** Bonds backed by the full faith and credit of government, which provides a pledge of the general taxing power for the payment of debt obligations.

**Goal:** A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given period.

**Governmental Funds:** Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

# Glossary

**Grant:** A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function (for example, education), but it is sometimes also for general purposes.

**Homestead Exemption:** Pursuant to the Florida State Constitution, the first \$25,000 of assessed value of a home which the owner occupies as principal residence is exempt from the property tax.

**Income:** This term is used in accounting for governmental enterprises and represents the excess of the revenues earned over the expenses incurred in carrying on particular phases of an enterprise's activities. As indicated elsewhere, the excess of the total revenues over the total expenses of the utility for a particular accounting period is called "net income".

**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 used to account for operations that provide services to other department on a cost-reimbursement basis.

**Inventory:** A detailed list showing quantities, descriptions, and values of property; also units of measure and unit prices. Note: The term is often confined to consumable supplies but may also cover fixed assets.

**Levy:** (Verb) To impose taxes, special assessments or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

**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.

**Liquidate:** To pay off a debt, claim, or obligation. To convert assets into cash.

**Long-Term Debt:** Debt with a maturity of more than one year after the date of issuance.

**Millage:** A computation in a unit referred to as a mill. A mill is equal to 1/1000 of a US dollar or 1/10 of a cent.

**Modified Accrual Basis:** The accrual basis of accounting adopted to the governmental fund type. It is a modified version of the full accrual basis of accounting that, in general, measures financial flow (tax and spend) of an organization, rather than capital accumulation (profit or loss).

**Moratorium:** Any suspension of activity.

**Net Budget:** The legally adopted budget less all interfund transfers and interdepartmental charges.

**Non-Spendable Fund Balance:** Amounts that cannot be spent because they are not in spendable form, such as prepaid expenditures and inventory.

**Objective:** Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

**Operating Costs:** Outlays for such current period items as expendable supplies, contractual services, and utilities.

# Glossary

**Ordinance:** A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the later requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions which must be by ordinance and those which may be by resolution.

**Pay-As-You-Go Basis:** A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

**Performance Indicators:** Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

**Performance Measure:** Data collected to determine how effective or efficient a program is in achieving its objectives.

**Personnel Services:** Expenditures for salaries, wages, and fringe benefits of a government's employees.

**Property Tax:** A tax levied on the assessed value of real property. This tax is also known as ad valorem tax.

**Proprietary Funds:** Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Purchase Order:** A document which authorizes the delivery of specified merchandise or the rendering of certain services, establishes their costs, and creates a commitment on both the provider and receiver of the product or services.

**Reserve:** An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

**Resolution:** A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**Restricted Fund Balance:** Amounts that can only be spent for the specific purpose stipulated by an external party e.g., creditors.

**Retained Earnings:** An equity account reflecting the accumulated earnings of an Enterprise Fund or Internal Service Fund.

**Revenue Bonds:** Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

**Revenues:** (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions, and residual equity transfers.

**Roll-Back Rate:** A reduction of prices or wages to a previous lower level by governmental action or direction.

# Glossary

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

**Special Revenue Fund:** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Surplus:** An excess of the assets of a fund over its liabilities and reserved equity.

**Tax Increment Financing:** A method of financing whereby increased tax revenue generated from a project is used to help pay for the construction of the project.

**Taxable Value:** The assessed value of property minus the homestead exemption and any other exemptions which may be applicable.

**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.

**Tax Rate:** The amount of tax stated in terms of a unit of the tax base; for example, 25 mills per dollar of assessed valuation of taxable property.

**Tax Rate Limit:** The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments or to all governments operating in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

**Tax Roll:** The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

**Transfer:** Amounts distributed from one fund to finance activities in another fund. Shown as a requirement in the originating fund and a revenue in the receiving fund.

**Truth-in-Millage Law:** Also called the TRIM bill. A 1980 law enacted by the Florida legislature that changed the budget process for local taxing agencies. It was designed to keep the public informed about the taxing intentions of the various taxing authorities.

**Trust Funds:** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other government and/or other funds.

**Unassigned Fund Balance:** The residual classification for the general fund and includes amounts that are not contained in other classifications.

**User Charge:** The payment of a fee for direct receipt of a public service by the party who benefits from the service.

# Acronyms

**BRPO:** Acronym for Bioscience Research Protection Overlay, which protects the lands which have been identified for the bioscience research/biotechnology industry.

**CPM:** Acronym for Central Performance Measure.

**EAR:** Acronym for Evaluation and Appraisal Report.

**EDE:** Acronym for Economic Development Element.

**FAU:** Acronym for Florida Atlantic University. ([www.fau.edu](http://www.fau.edu)) Florida Atlantic University opened in 1964 as the first public university in southeast Florida, and now serves approximately 26,000 students on seven campuses stretching from Port St. Lucie to Davie.

**FDOT:** Acronym for Florida Department of Transportation ([www.dot.state.fl.us](http://www.dot.state.fl.us)).

**FLUE:** Acronym for Future Land Use Element.

**FLUM:** Acronym for Future Land Use Map

**FRS:** Acronym for the Florida Retirement System ([www.myfrs.com](http://www.myfrs.com))

**FTE:** Acronym for full time equivalent employee.

**GAAP:** Acronym for Generally Accepted Accounting Principles ([www.fasab.gov](http://www.fasab.gov)) Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principle.

**HOA:** Acronym for Homeowners Association.

**LDR:** Acronym for Land Development Regulations, which refers to the section of the City's Code that provides development standards, criteria, and regulations consistent with the City's Comprehensive Plan

**NCCI:** Acronym for National Council on Compensation Insurance ([www.ncci.com](http://www.ncci.com))

**NCDC:** Acronym for North County Dispatch Center

**POA:** Acronym for Property Owners Association

**TRIM:** Acronym for Truth in Millage – see Truth in Millage Law.