

---

# **Guide To Other Useful References**

---

## A Guide to Other Useful References

- Annual Operating Budget - A document containing detailed summaries of the budget, finances, personnel and capital projects. Each year this document is printed in proposed and final form as follows: The proposed budget represents the County Chairman's recommended budget as presented to the Board of County Commissioners and the final budget represents the budget as adopted by the Board of County Commissioners.
- Annual Revenue Manual - Provides the following information about more than 200 major County Revenue sources: collection history, authorization, description, account codes, fee schedules, collection frequency and administration.
- Capital Program Document with Five-Year Plan - A summary document providing listing of all capital projects to be conducted during the coming fiscal year. The document also includes the County's five-year capital improvements plan.
- Capital Improvement Program and Operating Budget Reference Manuals - These user guides are updated and distributed annually prior to budget preparation to assist departments in compiling their budget submissions.
- Comprehensive Annual Financial Report - This document contains the County's audited general purpose financial statements. It also includes supplemental financial information on individual funds and account groups as well as financial and non-financial data and trends.
- Fee Directory - A directory of charges for County services.
- A Financial Overview of Orange County Government - This report provides a long-range assessment of the financial condition of Orange County. It helps to improve the quality of information by which budgetary decisions are made and identifies emerging trends that may suggest corrective action.
- Pay Plan - A directory of job classifications and pay ranges.
- The Source - A directory of County departments including a brief description of services, telephone numbers, and useful information about Orange County.
- Orange County Code - A detailed listing of all ordinances adopted by the Board of County Commissioners.
- Orange County Administrative Regulations - A detailed listing of policies and procedures utilized by Orange County Government in conducting various aspects of County Business.

---

# **Glossary of Budget Terms**

---

## GLOSSARY

**Ad valorem tax** - A tax levied on the assessed value (net of any exemptions) of real or personal property. This is commonly referred to as "property tax."

**Adjusted final millage** - Under Florida law, the actual tax rate levied by a local government when tax bills are issued. The rate is adjusted for corrected errors in property assessments for tax purposes and for changes in assessments made by property appraisal adjustment boards in each county. Usually, such changes are very slight and the adjusted millage sometimes does not change from the levy set by the taxing authority.

**Adopted budget** - The financial plan of revenues and expenditures for a fiscal year as approved by the Board of County Commissioners.

**Aggregate millage rate** - The sum of all property tax levies imposed by the governing body of a county excluding debt service and other voted millages, divided by the total taxable value.

**Amendment** - A change to an adopted budget which may increase or decrease a fund total. The change must be approved by the Board of County Commissioners.

**Appropriation** - A specific amount of funds authorized by the Board of County Commissioners to which financial obligations and expenditures may be made.

**Approved budget** – Board of County Commissioners Budget, to be legally adopted in following fiscal year in accordance with state statutes.

**Assessed value** - A value established by the County Property Appraiser for all real or personal property for use as a basis for levying property taxes.

**Board of County Commissioners** - The governing body of Orange County composed of six persons elected from single member districts and one County Chairman elected County-wide.

**Bond** - A written promise to pay a sum of money on a specific date at a specified interest rate as detailed in a bond ordinance.

**Budget** - A financial plan for a specified period of time (fiscal year) that matches anticipated revenues with proposed expenditures.

**Budget adjustment** - A revision to the adopted budget occurring during the affected fiscal year as approved by the Board of County Commissioners via an amendment or a transfer.

**Budget calendar** - The schedule of key dates involved in the process of adopting and executing an adopted budget.

**Budget document** - The official written statement of the annual fiscal year financial plan for the County as presented by the County Chairman.

**Budget hearing** - The public hearing conducted by the Board of County Commissioners to consider and adopt the annual budget.

**Budget message** - A brief written statement presented by the County Chairman to explain principal budget issues and to provide policy recommendations to the Board of County Commissioners.

**Capital improvements** - Physical assets, constructed or purchased, that have a minimum useful life of ten years and a minimum cost of twenty-five thousand dollars (\$25,000). These may include buildings, recreational facilities, road and drainage structures, water and wastewater structures, and equipment.

**Capital improvements budget** - A financial plan for the construction or acquisition of capital improvements adopted as part of the annual budget and approved in the first year of the five-year Capital Improvements Program.

**Capital Improvements Program** - A five-year plan for providing public physical improvements. The program provides the following information for each project: a time frame for completion, the location, description, an annual estimated expenditure, and the proposed method of financing.

**Capital outlay** - Appropriation for the acquisition or construction of physical assets.

**Capital project** - Detailed information for a capital improvement to include the time frame for completion, the location, description, the estimated total expenditure, and the proposed method of financing.

**Certificates of Participation (COPs)** - Certificates issued by a Trustee pursuant to a Trust Agreement, the proceeds from the sale of which shall be used to finance the acquisition, construction, and installation of a project.

**Contingency** - A budgetary reserve to provide for emergency or unanticipated expenditures during the fiscal year.

**County Administrator** - The Chief Executive Officer of the County appointed by the County Chairman subject to approval by the Board of County Commissioners.

**Debt Service** - The expense of retiring such debts as loans and bond issues. It includes principal and interest payments, and payments for paying agents, registrars and escrow agents.

**Deficit** - The excess of expenditures over revenues during a fiscal year.

**Department** - An organizational unit of the County responsible for carrying out a major governmental function, such as Public Works or Corrections.

**Depreciation** - The periodic expiration of an asset's useful life. Depreciation is a requirement in proprietary type funds (such as enterprise and internal service funds).

**Division** - A basic organizational unit of the County which is functionally unique in its service delivery.

**Effectiveness Indicator** – Extent to which the service has been achieved or customers are satisfied with the quality of service.

**Efficiency indicator** - Cost of labor or materials per unit of output/service or number of full time equivalent positions (FTE's) or staff hours per output to accomplish a task.

**Encumbrance** - The commitment of appropriated funds to purchase an item or service.

**Enterprise fund** - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business enterprise, i.e., through user charges.

**Exempt, exemption, non-exempt** - Amounts determined by State law to be deducted from the assessed value of property for tax purposes. Tax rates are applied to the balance, which is called the non-exempt portion of the assessment. A 1980 amendment to the Florida Constitution sets the exemptions for homesteads at \$25,000. That means that a homeowner with property assessed at \$50,000 would have to pay taxes on \$25,000 of the assessment. Eligible homeowners must apply for the exemptions by March 1 of each year. Other exemptions apply to agricultural land and property owned by widows, the blind, and permanently and totally disabled people who meet certain income criteria.

**Expenditure** - Decreases in fund financial resources for the procurement of assets or the cost of goods and/or services received.

**Final millage** - The tax rate adopted in the final public budget hearing of a taxing authority.

**Fiscal year** - The annual budget year for the County which runs from October 1 through September 30. The abbreviation used to designate this accounting period is FY.

**Function** - A major class or grouping of tasks directed toward a common goal, such as improvements to the public safety, improvement of the physical environment, etc. For the purposes utilized in budgetary analysis, the categories of functions have been established by the State of Florida and financial reports must be grouped according to those established functions.

**Fund** - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund balance** - The excess of fund assets over liabilities. These unspent funds can be included as revenue in the following year's budget. A negative fund balance is sometimes referred to as a deficit.

**General fund** - The governmental accounting fund supported by ad valorem (property) taxes, licenses and permits, service charges, and other general revenues to provide county-wide operating services. This may be referred to as the Operating Fund.

**Goal** - A statement that describes the purpose toward which an endeavor is directed, such as a target or target area.

**Grant** - A contribution of assets (usually cash) by one governmental unit or other organization to another made for a specified purpose.

**Homestead exemption** - Refer to definition for exempt, exemption, non-exempt.

**Indirect costs** - Costs associated with, but not directly attributable to, the providing of a product or service. These are usually costs incurred by other departments in the support of operating departments.

**Interfund transfers** - Budgeted amounts transferred from one governmental accounting fund to another for services provided or for operational purposes. These represent a "double counting" of expenditures. Therefore, these amounts are deducted from the total County operating budget to calculate the "net" budget.

**Intergovernmental revenue** - Revenue received from another government unit for a specific purpose.

**Internal service fund** - A governmental accounting fund used to account for the financing of goods or services provided by one County department to another on a cost reimbursement basis.

**Levy** - To impose taxes, special assessments, or service charges. Or, another term used for millage rate.

**Line-item budget** - A budget that lists each account category separately along with the dollar amount budgeted for each account, such as office supplies, overtime, or rolling stock purchases.

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

**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.

**Mill, millage** - 1/1000 of one dollar; used in computing taxes by multiplying the rate times taxable value divided by 1,000.

**Modified Accrual Basis of Accounting** - Revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Multi-Year Budgeting** – A Process involving forecasting revenues and expenditures for a period of two fiscal years at one time. This process gives the county the opportunity to foresee its financial status in a “future” mode.

**Municipal Services Taxing Unit** - A specific taxing unit established by the Board of County Commissioners via an adopted ordinance which derives a specific benefit for which a levy or special assessment is imposed to defray part or all of the cost of providing that benefit. This unit may be referred to as an MSTU.

**Object code** - An account to which an expense or expenditure is recorded in order to accumulate and categorize the various types of payments that are made by governments. These are normally grouped into Personal Services, Operating Expenses, Capital Outlay, and Other categories for budgetary analysis and financial reporting purposes. Certain object codes are mandated by the State of Florida Uniform Accounting System.

**Objective** - A defined method to accomplish an established goal.

**Operating expenses** - Also known as Operating and Maintenance costs, these are expenses of day-to-day operations which exclude capital costs, such as office supplies, maintenance of equipment, and travel.

**Other Expenditures** - These include items of a non-expense or expenditure nature such as depreciation expense and transfers to other funds.

**Other Revenues** - These include revenues unearned in the current fiscal year, such as fund balance or prior year reimbursements.

**Performance Measures** - Specific qualitative and/or quantitative measures of work performed as an objective of a department.

**Personal property** - Livestock, commercial equipment and furnishings, attachments to mobile homes, railroad cars, and similar possessions that are taxable under state law.

**Personal services** - Costs related to compensating employees, including salaries and wages and fringe benefit costs.

**Property Appraiser** - The elected county official responsible for setting property valuations for tax purposes and for preparing the annual tax roll.

**Property tax** - Refer to definition for ad valorem tax.

**Proposed millage** - The tax rate certified to a property appraiser by each taxing authority within a county. The proposed millage is to be sent to the County Property Appraiser within thirty days after a county's tax roll is certified by the State Department of Revenue and listed on notices sent to property owners. No taxing authority may approve a tax rate that is larger than the one it originally proposed.

**Real property** - Land and the buildings and other structures attached to it that is taxable under state law.

**Reserve** - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

**Revenue** - Funds that a government receives as income. These receipts may include tax payments, interest earnings, service charges, grants, and intergovernmental payments.

**Revenue bonds** - Bonds usually sold for constructing a capital project that will produce revenue for the governmental unit issuing the bonds. The revenue is used to pay for the principal and interest of the bonds.

**Revenue estimate** - A formal estimate of how much revenue will be earned from a specific revenue source for some future period, such as the next fiscal year.

**Rolled back/roll back rate** - That millage rate which, when multiplied times the tax roll, exclusive of new construction added to that tax roll, would yield the same amount of revenue for the taxing authority as was yielded by the millage rate levied in the previous year. In normal circumstances, as the tax roll rises by virtue of reassessment, the rolled back rate will be slightly lower than the previous year's millage levy. This reduced rate multiplied by the value of the new construction/annexations added to the roll during the year provides the only source of additional tax revenue if the rolled back rate is levied.

**Special assessment** - A compulsory levy imposed on 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 governmental accounting fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Tax base** - The total property valuations on which each taxing authority levies its tax rates.

**Tax roll** - The certification of assessed/taxable values prepared by the Property Appraiser and presented to the taxing authority by July 1 (or later if an extension is granted by the State of Florida) each year.

**Tax year** - The calendar year in which ad valorem property taxes are levied to finance the ensuing fiscal year budget. For example, the tax roll for the 1987 calendar year would be used to compute the ad valorem taxes levied for the FY 1987-88 budget.

**Tentative millage** - The tax rate adopted in the first public budget hearing of a taxing agency. Under state law, the agency may reduce, but not increase, the tentative millage during the final budget hearing.

**Truth in Millage Law** - Also called the TRIM bill. A 1980 law enacted by the Florida legislature which 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.

**Uniform Accounting System** - The chart of accounts prescribed by the Office of the State Comptroller designed to standardize financial information to facilitate comparison and evaluation of reports.

**User fees** - The fees charged for direct receipt of public services.

**Unencumbered balance** - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of funds still available for future needs.

**Voted millage** - Property tax levies authorized by voters within a taxing authority. Bond issues that are backed by property taxes are a common form of voted millage in the State of Florida. Such issues are called general obligation bonds.

**Workload indicator** - A measurement of the amount of work that affects a division or service. It is indicative of workload, but does not necessarily measure effectiveness or efficiency. It is used to quantify levels of service.