

## Glossary

### Accrual Basis of Accounting

Accounting method where revenues are recorded when earned (regardless of when cash is received) and expenses are recorded when liabilities are incurred (regardless of when payment is made). *Also see Modified Accrual Basis of Accounting.*

### Ad Valorem Tax

A tax levied on the assessed value of real and personal property. This tax is also known as property tax.

### Adopted Budget

A financial plan presented, reviewed, and approved by a governing body for the upcoming or current fiscal year beginning October 1.

### Annexation

The process by which an unincorporated area is brought into a city. Rules governing annexation are established by state statute.

### Appropriation

A specific amount of money authorized by city council for the purpose of providing or acquiring goods and services.

### Assessed Property Value

The value set upon real estate or other property by the County Assessor and the state as a basis for levying taxes.

### Asset

Resources that have monetary value and are owned or held by a government.

### 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 as required by Florida State Statute 166.241.

### Bond

A certificate of debt issued by an entity, guaranteeing payment of the original investment plus interest, by a specified future date.

### Bond Covenants

Agreements made to assure bond holders that sufficient money will be available to pay bonds.

### Bond Refinancing

The payoff and reissuance of bonds to obtain better interest rates and/or bond conditions.

### Budget

An annual financial plan that identifies revenues, specifies the type and level of services to be provided and establishes the amount of money which can be spent.

### Budget Allocation

The distribution of a sum of money for a particular purpose according to a specific plan.

### Budget Amendment

Legal means by which an adopted estimated revenue or expenditure authorization limit is increased or decreased.

### Capital Equipment

Equipment, costing more than \$1,000, with an expected life of more than one year such as automobiles, computers and furniture.

### Capital Improvement Project (CIP) / Expenditure

Major construction, acquisition, or renovation activities which add value to the city's physical assets or significantly increase their useful life.

### Capital Improvement Project Budget

A financial plan for construction of physical assets such as buildings, streets, sewers and recreation facilities.

### Capital Outlay

The purchase, acquisition, or construction of any item having a unit cost of \$1,000 or more, or a useful life of one or more years. Typical capital outlay items include vehicles, construction equipment, photocopiers, computers, and office furniture.

### City Charter

Document setting forth the principles, functions, and organization of a city's government.

### Collective Bargaining Agreement

A legal contract between the city and representatives of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

**Communications Services Tax**

A tax levied by the state on telecommunication and cable services. This replaces telecommunication and cable franchise fees and utility taxes previously collected by local governments.

**Comprehensive Annual Financial Report (CAFR)**

This report is commonly known as the annual audit and is completed by an independent certified public accounting firm for the revenue and finance department. It contains information regarding all general purpose financial statements for revenue and expenditures, selected financial and demographic information, and amortization of long-term debt and selected investment portfolio data.

**Conduit Debt**

Debt payable by third parties for which the state or government is not providing credit or security.

**Consumer Price Index (CPI)**

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

**Contingency**

An appropriation of funds to cover unanticipated expenditures that occur during the fiscal year.

**Cost Allocation**

A method used to charge enterprise, internal service and federal funds for their share of central administration costs.

**Current Operations**

The existing processes, functions, or procedures used by the city to carry out its vision, mission, and goals.

**Debt Service**

The payment of principal and interest on borrowed funds such as bonds.

**Department**

An organizational unit responsible for carrying out a major governmental function, such as police, public works, fire rescue, parks and recreation, water, solid waste, parking, etc.

**Depreciation**

The decrease in value of physical assets due to use and the passage of time.

**Derivative**

Types of investments in which payoffs are produced over time from the performance of assets, interest rates, foreign exchange rates or indices.

**Employee (or Fringe) Benefits**

Contributions made by the city to meet commitments or obligations for employees beyond base pay, such as the city's share of costs for social security, worker's compensation and the various pension, medical and life insurance plans.

**Encumbrance**

An amount of money committed for the payment of goods and services not yet received or paid for.

**Enterprise Fund**

A self-supporting fund designed to account for activities supported by user charges. Examples include wastewater, water, solid waste, and parking funds.

**Entitlement**

Payments guaranteed by Congress and/or state legislatures to eligible recipients for a certain period of time. These payments are provided outside of the discretionary part of the state or federal budget.

**Financial Statement**

A written report of the financial condition of an organization which shows revenues, expenses, and income (the difference between revenues and expenses) of the organization over a period of time.

**Fiscal Year (FY)**

Any period of 12 consecutive months designated as the budget year. The city's fiscal year begins October 1 and ends September 30, which is the same for Hillsborough County and the federal government. The State of Florida's fiscal year runs from July 1 through June 30.

**Franchise Fee**

A fee assessed on a business, usually a public utility, in return for the right to operate inside the city limits. The City of Tampa has granted franchises for electric and natural gas service.

**Full-Time Equivalent (FTE)**

A position which works a 40-hour week on an ongoing basis and is specifically authorized for ongoing funding by classification in the annual budget. Two half-time positions equal one FTE.

**Fund**

A set of interrelated accounts to record revenues and expenditures associated with a specific purpose such as general fund or the enterprise fund.

**Fund Balance**

The balance remaining in a fund after expenditures have been subtracted from revenues.

**General Fund**

A fund supported by revenues, such as property taxes, not designated by law for a special purpose. Some of the departments that are funded by the general fund include fire rescue, police, administration, public works and parks and recreation.

**General Obligation Bond**

Bonds that finance public projects such as streets, municipal facilities and park improvements. The repayment of these bonds is made from property taxes and is backed by the full faith and credit of the issuing government.

**Generally Accepted Accounting Principles (GAAP)**

The uniform set of authoritative standards and procedures adopted by the accounting profession.

**Goals**

Broad statements the organization works towards to accomplish identified strategies. Usually accomplished in 1-3 years.

**Government Accounting Standards Board (GASB)**

A seven-member board organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities.

**Government Finance Officers' Association (GFOA)**

The professional association of state/provincial and local finance officers in the United States and Canada which has served the public finance profession since 1906. The GFOA administers the Distinguished Budget Presentation Awards Program, a voluntary awards program which encourage governments to prepare effective budget documents.

**Governmental Funds**

Funds generally used to account for tax-supported activities that rely mostly on current assets and current liabilities. There are four different types of governmental funds: general, special revenue, debt service and capital projects.

**Grants**

Financial assistance in the form of money, property or technical assistance in lieu of money, awarded by a government agency or private organization to an eligible applicant to accomplish public purposes. Grants obligate the grantee to meet specified objectives and hold the grantee financially liable if funds are not spent in accordance with applicable laws, rules, and regulations of the funding agency.

**Homestead Exemption**

A deduction from the total taxable assessed value of property occupied by the owner in the State of Florida. The exemption is now \$25,000 for all property owners who qualify. Senior citizens may qualify for an additional \$25,000 exemption.

**Impact Fees**

A charge for services which is assessed on new construction in order to support specific new demands on a given type of service such as transportation, schools, parks, libraries, wastewater and water supply systems, fire and police protection and other government agencies and services. Local governments generally implement impact fees so that existing residents and businesses do not have to pay for needs caused by new development.

**Infrastructure**

The basic facilities, services and installations needed for the functioning of a community or society, such as: transportation and communications systems; water and power lines; and public institutions including schools, post offices, and prisons.

**Initiatives**

Specific programs, activities, projects, or actions an organization will undertake in an effort to meet performance targets.

**Interfund Transfers**

Payments from one fund to another fund, primarily for work or services provided.

**Intergovernmental Revenue**

Funds received from federal, state and other local government sources in the form of grants, shared revenues and payments in lieu of taxes for a specific purpose.

**Local Option Gas Tax**

The local option gas tax is a 30-year tax, begun in 1983, to fund transportation related improvements.

Millage

The tax rate on real property, based on 1 mill, equals \$1 per \$1,000 of assessed property value. *See Questions and Answers for further explanation.*

Mission

The mission statement clearly states the purpose of the organization. The reason the organization exists.

Modified Accrual Basis of Accounting

Revenues are being recognized in the period when they become available and measurable (known). The term “available” means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Expenditures, if measurable, are recognized in the accounting period in which the liabilities are incurred, regardless of when the receipt or payment of cash takes place. *Also see Accrual Basis of Accounting.*

Non-Recurring Expense

Non-recurring expenses comprise those that exist only for a limited period, or whose amounts vary considerably from one year to the next. Examples of non-recurring expenses include grants to private organizations or other governments, and one-time expenses for special projects.

Non-Recurring Revenue

Non-recurring revenues comprise sources that exist only for a limited period of time, or are amounts which vary considerably from one year to the next. Examples of non-recurring revenue include proceeds from grants and the sale of land.

Objectives

Specific concrete, measurable statements of what will be done to make progress toward a specific goal. Generally, they are attainable within 6-12 months out and have associated performance measures.

Operating Budget

A budget for general expenditures such as salaries, utilities and supplies.

Operating Expenses

The cost for personnel, materials and equipment required for a department to function. They are expenses that are directly related to service activities.

Ordinance

A formal legislative enactment by the legislative body which, if not in conflict with any higher form of law, has the full force and effect of law within the boundaries of the municipality to which it applies. An ordinance requires more legal formality and has a higher legal status than a resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

Part 1 Crimes

Includes some of the most serious criminal offenses such as: murder, rape, robbery, assault, burglary, larceny, and auto theft.

Payment in Lieu of Franchise Fees (PILOF)

Payments by enterprise departments for use and maintenance of city rights-of-way similar to payments made by private sector entities.

Payment in Lieu of Taxes (PILOT)

Payments by enterprise departments for compensation of tax supported services similar to payments made by private sector entities.

Performance Measures

Indicators of the work performed and the results achieved in an activity, process or organizational unit. Performance measures may be financial or non-financial.

Personnel Expenses

Salaries, wages and fringe benefit costs such as pensions and insurance.

Property Tax

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

Recommended Annual Budget

Presented to city council in August to be adopted by the end of the current fiscal year (September 30).

Recurring Expense

Expenses which continue from year to year, where a similar amount can be expected annually. Examples include personnel expenses, and charges for utilities.

Recurring Revenue

Revenue sources which continue from year to year, where a similar amount can be expected annually. Examples include property taxes, utility taxes and license fees.

## Related Financial Information

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### Reserve

An unappropriated source of funding not required for expenditure in the current budget year that is set aside to meet unexpected budgetary needs such as emergencies or unforeseen requirements.

### Reserve for Vacancies

Anticipated savings resulting from authorized positions being temporarily vacant. Estimated vacancies are subtracted from the amount budgeted for salaries.

### Resolution

A special or temporary order of a legislative body that requires less legal formality and has a lower legal status than an ordinance or statute.

### Sales Tax

A 6% tax levied by the state on most goods and services. The City of Tampa currently receives a percentage of the state sales tax collected in Hillsborough County. Hillsborough County also has a 1/2 cent local option sales tax for indigent health care and a 1/2 cent community investment tax.

### Self Insurance

A city program that administers workers' compensation, benefit and claims programs, general liability, property damage, health coverage and long term disability insurance, and, life and accidental death and dismemberment insurance programs

### South Tampa Area Reclaimed (STAR) Water

The STAR project distributes highly treated wastewater from the Howard F. Curren Advanced Wastewater Treatment Plant on Hooker's Point to residents and businesses in parts of South Tampa where it can be used to irrigate lawns and landscaping.

### Special Revenue Fund

A fund that is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### Strategic Focus Area

Long-term (3-5 years) focus areas that guide the application of resources to achieve the organizational vision.

### Tax Increment Financing (TIF)

TIF is a mechanism for using property taxes to stimulate investment in economically depressed areas. Property taxes generated as a result of new construction are reinvested in projects designed to further enhance the area's economic vitality.

### Tax Operating Fund

A tax operating fund receives its money from the city's general revenues, such as property taxes. Police and fire protection are examples of services provided through a tax operating fund.

### Tax Year

The calendar year in which tax bills are sent to property owners. The 2006 tax bills are reflected as revenue receipts to the city in FY07.

### Taxing Authority

A government body, such as a city, county, or school board, with authority to levy property taxes.

### Threshold Budget

A budget system requiring departments to prepare their budgets within specified given amounts. Factors determining these amounts include available revenues, historical costs, budget objectives and known changes in service level.

### Transfers

A transaction which reallocates all or part of any item in an approved budget to another line item.

### Trust and Agency Funds

Funds used to account for resources received and held by the government in the capacity of trustee, custodian, or agent. As the name implies, these funds include both resources to be held over a long period (trust funds) and those resources that can be used currently (agency funds).

### Truth in Millage (TRIM) Notice

A notice sent annually to property taxpayers which explains any changes in the millage rate of each taxing authority from the prior year. The notice also shows changes in a property's value and includes the time and place of public hearings on proposed millage rates.

### User Charges

The payment of a fee for direct receipt of a public service by the party benefiting from the service. Examples are wastewater and water services.

### Utility Tax

A tax levied by cities on the consumers of various utilities such as electricity, telephones, or natural gas.

### Vision

A statement that provides an inspiring picture of a preferred future state, "the dream" of an organization.