

## **BUDGET SYSTEM**

The Village of Royal Palm Beach uses the Budgeting by Activity (Division) and Objective process in the formulation of its budget. Departmental Budgets include an Organizational Chart and Recap page. Each department is divided into major activities or programs, which are performed by that department. Individual activity budgets include an Objective/Performance page and a Budgetary Account Summary. The Objective/Performance page presents a brief review of the activity description, activity service objectives and quantitative performance/workload indicators, number of personnel and major budget level changes. The Budgetary Account Summary provides expenditure detail and a comparison of current and previous years expenditures on a line item basis. The Budgetary Process is very valuable in communicating with the Council and citizens of the Village.

## **BUDGET PROCESS**

The Village of Royal Palm Beach's Budget process began in April of the current fiscal year with a Staff meeting between the Village Manager and Department Heads to review budget philosophy and develop overall goals and objectives. The budget preparation process extends for a period of approximately six months of the fiscal year. During this period, meetings are held with Department Heads, the Village Council and the public to insure representative input. The Budget Calendar on page 188 details the actions taken during the Budget Process.

## **BUDGETARY CONTROL**

The Village adopts its budget by budgetary center for the General Fund. In the General Fund and all Capital Funds, estimated purchase amounts are encumbered prior to the release of purchase orders to vendors. When such encumbrances indicate an overrun of the activity or project budget, purchase orders are held until appropriations are available. Expenditures may not legally exceed appropriations at the budgetary department level for the General Fund and at the project level for all Capital Projects.

Unexpended appropriations lapse at year's end, except for those approved by the Village Council to be carried forward. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the position of the applicable appropriation, is employed as an extension of formal budgetary procedures. All operating encumbrances outstanding in the General Fund will lapse at year's end. Outstanding encumbrances in the Capital Projects Funds (related to active/ongoing projects) are reported as reservations of fund balance and do not constitute expenditures or liabilities, because the commitments will be honored during the subsequent year. During the fiscal year, all budget and supplemental amendments are made in a legally permissible manner.

## **BUDGET AMENDMENT**

Expenditure control within an Operating Fund of the Budget is at the Department level and in a Capital Fund at the Project level. Hence, a Budget Amendment is required if either of those levels are to be exceeded. Additionally, a Budget Amendment is required if the total appropriation of a Fund is to be exceeded.

When a Department determines that either of the above is going to occur they are required to advise the Finance Department in a detailed writing as to why the amendment will be

necessary. The Finance Department will determine the applicable sources and uses of funds and prepare a Budget Amendment document delineating the appropriation and/or transfer of monies and present it at a subsequent Council meeting where it must be approved by the Village Council.

### **BASIS OF ACCOUNTING**

Basis of Accounting refers to the time period when revenues and expenditures are recognized in the accounts and reported on the financial statements. Basis of Accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Government Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized in the period in which they become susceptible to accrual, that is when they become measurable and available to pay liabilities of the current period.

Property taxes, utility and franchise taxes, intergovernmental revenues and charges for services are susceptible to accrual when collected in the current year or within sixty days subsequent to September 30<sup>th</sup>, provided that amounts received pertain to billings through the fiscal year just ended. Further, property taxes are recognized as revenue in the fiscal year for which they are levied. Investment earnings are recorded as earned since they are measurable and available. Permits, fines, forfeitures and contributions are not susceptible to accrual because, generally, they are not measurable until received in cash. Revenues collected in advance of the year to which they apply are recorded as deferred revenues.

Expenditures under the modified accrual basis of accounting are generally recognized when the related fund liability is incurred and expected to be liquidated with available resources. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All Proprietary Fund types and the Pension and Nonexpendable Trust Funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when they are incurred.

The Agency Funds are custodial in nature and do not involve measurement of results of operations. They are accounted for under the modified accrual basis of accounting. Assets and liabilities are recognized on the modified accrual basis.

### **BASIS OF BUDGETING**

The budgets of general government type funds are prepared on a modified accrual basis. Briefly, this means that obligations of the Village are budgeted as expenses, but revenues are recognized when they are actually received.

The Budget is a balanced budget which means that estimated revenues are equal to estimated expenditures.

All appropriations lapse at year end. No encumbrances are carried forward to the next fiscal year with the exception of the Capital Improvement Program encumbrances.

The Comprehensive Annual Financial Report, (CAFR) shows the status of the Village's finances on the basis of "generally accepted accounting principles" (GAAP) and fund expenditures/revenues on both a GAAP and budget basis for comparison purposes.

**FISCAL YEAR 2017/2018  
BUDGET CALENDAR**

<b>DATE</b>		<b>ACTIVITY/REQUIREMENT</b>	<b>PARTICIPANTS</b>
April 4, 2017	Tuesday	Distribution of all materials needed for the preparation of the FY 2017/2018 Budget	Village Manager Dept. Directors/Staff
April 5 to April 30, 2017		Develop salary and revenue projections	Village Manager Finance Department
April 26, 2017	Wednesday	<b>C.I.P. New Projects Due</b>	All Departments
May 4, 2017	Thursday	<b>OPERATING BUDGET REQUESTS DUE</b> (submit to Finance Director)	All Departments
May 5 to May 12, 2017		Revenue and expense data is compiled Preliminary proposed budget is prepared	Finance Department
May 15, 2017	Monday	Meet with Department Directors, review budget	Village Manager Finance Director
May 23, 2017	Tuesday	CIP Review and Update	Village Manager Village Engineer Finance Director
June 1 to June 24, 2017		Final changes are made to the proposed budget. The document is prepared.	Finance Department
June 30, 2017	Friday	The budget is submitted to the Village Council	Finance Department
July 6, 2017	Thursday	Budget Workshop - Presentation and overview of Proposed budget (All Funds)	Village Manager
July 13, 2017	Thursday	<b>AGENDA ITEM FOR TENTATIVE ADOPTION AND NOTIFICATION TO PROPERTY APPRAISER OF PROPOSED MILLAGE RATE, ROLLBACK RATE AND DATE, TIME AND PLACE OF PUBLIC HEARINGS</b>	Finance Director
July 14, to August 15, 2017		Final changes are made to the FY 2017/2018 Budget (All Funds) as recommended by the Village Council	Finance Department
September 19, 2017	Thursday	<b>FIRST PUBLIC HEARING ON PROPOSED BUDGET</b>	Village Council
September 28, 2017	Tuesday	<b>SECOND AND FINAL PUBLIC HEARING ON PROPOSED BUDGET</b>	Village Council
September 29, 2017	Friday	<b>FINAL BUDGET DOCUMENT DISTRIBUTED TO ALL INTERESTED PARTIES</b>	Finance Department

**Public Hearings**

**Palm Beach County – September 5, 2017 & September 18, 2017  
School Board – July 26, 2017 & September 6, 2017**

## **FINANCIAL POLICIES**

The Village of Royal Palm Beach's financial policies, compiled below, set forth the basic framework for the overall financial management of the Village. These policies assist the Village Council's decision-making process and provide guidelines for evaluating both current activities and proposals for future programs.

### **General Policies**

- Annually prepare a budget, submit it to Council for approval and publicly issue a budget document.
- Identify costs and funding sources before recommending approval of capital and operating budgets.
- Provide for sound financial planning, the best possible bond rating and adequate working capital in all funds.
- Take measures to protect against catastrophic losses through a combination of insurance and cash reserves.
- Follow the Village of Royal Palm Beach Charter when preparing the Village's budget.
- Estimate and review the long-term costs associated with proposed new programs or services.
- Annually review all existing programs to determine whether a recommendation to the Village Council to maintain, decrease or increase service levels is appropriate.
- Review annually all administrative policies governing accounting procedures, billing, purchasing and asset use and control

### **Operating Budget Policies**

- Pay for all current year operating expenses with current year revenues and/or available fund balances.
- The budget will provide adequate funds for the maintenance of plant and equipment and funding for their orderly replacement.
- Make all purchases in an impartial, economical, efficient, and competitive manner, in accordance with all Federal, State and municipal laws and coordinate through Purchasing.
- The budget will be controlled at the Department level within an operating fund and at the project level in a capital fund by the applicable Department Head. Budget amendment requests and transfers of funds will originate from the applicable Department Head and the Finance Director and shall be subject to the approval of the Village Manager and be placed as an agenda item for approval by the Village Council.
- Issue a Comprehensive Annual Budget Document.

## **Revenue Management Policies**

- Levy taxes to adequately offset inflation and provide the desired level of service.
- Annually review all revenue schedules, including taxes, rates, licenses, user fees, and other charges, to insure compliance with Village Council's approved policies.
- Maintain a diversified revenue base to help mitigate the effects of short-term fluctuations in any one revenue source.
- Conservatively estimate annual revenues utilizing established industry standards along with historical trend information.
- Review new sources of revenue to fund operating and capital costs consistent with the Village Councils' goals and priorities.

## **Fund Balance Policies**

Under the provisions of GASB 54 the Village changed the nomenclature for the definitions of various fund balances as follows:

**Maintain an unassigned fund balance in the General Fund equal to a minimum of 25% of current year General Fund budgeted operating expenditures.**

**Establish a non-spendable fund balance in the amount equal to the Village's unpaid inventory and prepaid expenses.**

**Maintain a committed fund balance for payment of liabilities related to compensated absences, and other post-employment benefits at a rate of 100% of the fiscal year end accrued liabilities.**

## **Accounting, Auditing and Reporting Policies**

- Provide regular information concerning cash position and investment performance through its accounting system.
- Establish and maintain a high degree of accounting competency. Financial accounting and reporting will be done in accordance with methods prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association, or their equivalents.
- Maintain financial systems to monitor expenditures, revenues and performance of all municipal programs on an ongoing basis.
- Provide full disclosure in annual financial statements and note/bond representations.
- Use an independent certified public accounting firm to perform an annual audit.
- Publicly issue a Comprehensive Annual Financial Report.
- Comply with all required reporting requirements related to bond issuance terms

### **Investment Management Policies**

**Make a cash flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled to insure cash availability.**

**Pool cash from all legally permitted funds for investment purposes.**

**Insure timely deposit of all collected revenues.**

**Deposit funds only in financial institutions which are insured by the Federal Deposit Insurance Corporation or are approved for full collateralization by the public deposit protection act or other state statutes.**

**Invest funds following the established investment policy in accordance with section 218.415, *Florida Statutes*. The Village Manager and/or Finance Director are authorized to invest surplus public funds pursuant to section 218.415(16), *Florida Statutes*.**

**Maximize the investment rate of return. Adhere to lawful investment options. Safety of the principal shall be the dominant requirement, followed by sufficient liquidity to meet operating requirements, and then yield.**

### **Debt Management Policies**

- **The Village Charter has no required debt limit; however any outstanding debt is viewed within the limits prescribed herein.**
- **Approve the issuance of Debt Obligations to refund outstanding debt when market conditions indicate or for management considerations.**
- **Periodically approve the issuance of Debt Obligations on behalf of the Village to finance the construction or acquisition of infrastructure and other assets for the purpose of meeting its governmental obligations to its residents.**
- **Assure that such Debt Obligations are issued and administered in such a manner as to ensure and sustain the long-term financial integrity of the Village, to achieve the highest possible credit rating and to preserve and enhance the quality of life, safety and welfare of its citizens.**
- **Assure that such Debt Obligations shall not be issued or debt proceeds used to finance current operations of the Village.**
- **Issue Debt Obligations if necessary to minimize the impact of construction or acquisition of infrastructure and other assets on the budget of the Village.**
- **Consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have an economic/useful life of at least five years.**
- **Not issue debt for periods exceeding the useful life or average useful lives of the project or projects to be financed.**
- **Normally rely on internally generated funds and/or grants to finance its capital needs. Debt will be issued for a capital project only in the case of an emergency, or when**

**inclusion of a project in the Village's pay-as-you-go capital program will preclude the construction of smaller necessary capital improvements.**

- **Limit annual General Fund debt service expenses to no more than 10 percent (10%) of the total annual General Fund budget.**
- **Limit outstanding general obligation debt to a maximum of five percent (5%) of the assessed valuation of taxable property.**

**Currently the Village has no outstanding long-term debt. It was completely paid off in 2015/2016.**

### **Capital Budget Policies**

- **Evaluate the relative merit of each capital project according to Council's goals and priorities.**
- **Coordinate the development of the capital improvement budget with the development of the operating budget.**
- **Rely on internally generated funds and/or grants to finance its capital needs. Debt will be issued for a capital project only in the case of an emergency, or when inclusion of a project in the Village's pay-as-you-go Capital program will preclude the construction of smaller necessary capital improvements.**
- **Thoroughly evaluate and update the five-year Capital Improvements Program on an annual basis providing detailed information regarding operational impacts.**
- **Maintain all assets at a level adequate to protect the Village's capital investment and minimize future maintenance and replacement costs.**

## FINANCIAL STRUCTURE

### Description of Funds and Fund Types

For accounting purposes a state or local government is not treated as a single, integral entity. Rather, a government is viewed instead as a collection of smaller, separate entities known as “funds”. The Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards (Codification)*, Section 1300, defines a fund as:

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.

All of the funds used by a government must be classified into one of seven “fund types.” Four of these fund types are used to account for a state or local government’s “governmental-type” activities and are known as “governmental funds”. Two of these fund types are used to account for a government’s “business-type” activities and are known as “proprietary funds”. Finally, the seventh fund type is reserved for a government’s “fiduciary activities”.

### Governmental Funds:

Four fund types are used to account for governmental-type activities. These are the general fund, special revenue funds, debt service funds, and capital projects funds. An annual budget is required to be adopted for all governmental funds.

### General Fund

The General Fund is used to account for most of the day-to-day operations of the Village, which are financed from property taxes, fees, licenses, permits, fines and forfeitures, intergovernmental and other general revenue. There can only be one general fund. Activities financed by the General Fund include the day to day operating costs of the following departments:

Village Council  
Village Manager  
Village Clerk  
Human Resources  
Planning & Zoning  
Finance  
Legal  
Police (Contracted to Palm Beach County Sheriff’s Department)  
Fire-Rescue (Provided by Palm Beach County Fire Rescue Municipal Service Taxing Unit (MSTU))  
Community Development  
Engineering  
Public Works  
Parks and Recreation  
Non-Departmental

A description of each of the above department functions can be found within each department’s expenditure section of the budget document.



### **Special Revenue Funds**

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government and which therefore cannot be diverted to other uses. The Village has the following special revenue funds for which an annual budget is also adopted:

- **Recreation Facility Fund - Accounts for contributions received from all sources for the acquisition, improvement, expansion or implementation of parks and recreational facilities.**
- **Community Beautification Fund - Accounts for contributions received from local developers to enhance the aesthetic landscape and visual perception of the Village.**

### **Capital Projects Funds**

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital equipment and facilities by the Village. The sources of revenue in these funds are Impact fees, transfers from other funds, grants and a portion of Sales Tax Revenue . A five year Capital plan is presented during the budget process, of which only the first year is adopted by the Village Council. Any unexpended amounts at fiscal year end, are rolled over to the new fiscal year.

- **Impact Fee Capital Projects Fund - This fund was established to collect impact fees on all new construction activity in the Village and pay for the new capital facilities related to new development. These fees are levied for roads, public parks, public buildings, law enforcement and fire protection and rescue.**
- **Sales Surtax Fund – This fund was established to use the voted additional 1% sales tax for various restricted construction projects and capital equipment purchases undertaken by the Village that are not included in the Capital Improvement Fund**
- **Capital Improvement Fund – This fund was established to account for the various construction projects and capital equipment purchase undertaken by the Village. The primary source of funding has been transfers from the General fund on a pay-as-you go basis.**
- **Utility Capital Improvement Fund - This fund was established to account for capital projects in the Stormwater Utility Fund.**

### **Proprietary Funds**

Two fund types can be used to account for a government's business-type activities (activities that receive a significant portion of their funding through user fees). The Village uses one of the two, an Enterprise fund for their Stormwater Utility.

## GLOSSARY OF TERMS

The definition of terms listed is provided to assist the user in the understanding of terminology used throughout the text of the budget document.

### -A-

<b>ACCOUNTING PERIOD</b>	A period at the end of which and for which financial statements are prepared. The Village's accounting period is from October 1 through September 30.
<b>ACCOUNTING PROCEDURES</b>	All processes which discover, record, classify and summarize financial information to produce financial reports and provide internal control.
<b>ACCRUAL BASIS</b>	The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flow.
<b>AD VALOREM TAX</b>	A tax levied on the assessed value of real and personal property. This tax is also known as property tax.
<b>ADOPTED BUDGET</b>	The revenue and expenditure plan for the Village for the fiscal year as reviewed and approved by the Village Council.
<b>APPROPRIATION</b>	An authorization granted by a legislative body to incur obligations and to expend public funds for stated purposes.
<b>ASSESSED VALUATION</b>	The value set upon real estate or other property by the County Property Appraiser and the State as a basis for levying taxes.
<b>AUDIT</b>	A methodical examination of utilization of resources. It concludes in a written opinion of its findings. An audit is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used.

### -B-

<b>BALANCED BUDGET</b>	This is a basic budgetary constraint intended to ensure that a government does not spend beyond its means and that its use of resources for operating purposes does not exceed available resources over a defined budget period. A more stringent definition requires that a government maintain a balance between operating expenditures and operating revenues over the long term, not just during the current operating period as is the definition of a basic budget. The latter definition of balance is referred to as structural balance, which is the goal of a balanced budget.
<b>BONDS</b>	A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest by a specified future date.
<b>BUDGET CALENDAR</b>	The schedule of key dates or milestones, which the Village follows in the preparation and adoption of the budget.
<b>BUDGET MESSAGE</b>	A general discussion of the budget as presented in writing by the budget making authority to the legislative body.

**BUDGETARY CONTROL** The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenue.

-C-

**CAFR** The comprehensive annual financial report is a complete set of financial statements presented in conformity with U.S. generally accepted accounting principals and audited in accordance with U.S generally accepted auditing standards by a firm of licensed certified public accountants.

**CAPITAL ASSETS** Assets of significant value having a useful life of more than one year. Capital assets are also called fixed assets.

**CAPITAL BUDGET** A plan of capital expenditures and the means of financing them. The capital budget is enacted as part of the Village's consolidated budget, which includes both operating and capital outlays.

**CAPITAL EXPENDITURES** Capital expenditures consists of two categories. The first represents items costing (individually) between \$5,000 and \$10,000 with a life expectancy of more than two years and are accounted for in the General Fund. The second category represents items/projects costing more than \$10,000. These costs are included in the Village's Capital Improvement Program.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** A plan for capital expenditures to be incurred each year over a period of five future years, setting forth each capital project, the amount to be expended in each year and the method of financing those expenditures.

**CAPITAL OUTLAYS** A disbursement of money, which results in the acquisition of or addition to, fixed assets.

**CAPITAL PROJECTS FUND** A fund created to account for all resources used for the acquisition of designated fixed assets by a governmental unit.

**CONTINGENCY** An appropriation of funds available to cover unforeseen events that occur during the fiscal year. These funds, if not used, lapse at year-end.

-D-

**DEBT LIMITS** The maximum amount of gross or net debt that is legally permitted.

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

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

**DISTINGUISHED BUDGET PRESENTATION PROGRAM** A voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

-E-

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

**EXPENDITURE** The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as a liability of the fund from which retired, or capital outlay.

-F-

**FINES AND FORFEITURES** Consists of a variety of fees, fines and forfeitures collected by the State Court System, including bail forfeitures, garnishments, legal defenders and juror/witness fees.

**FISCAL YEAR** Any period of 12 consecutive months designated as the budget year. The Village's budget year begins October 1 and ends September 30.

**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, and machinery and equipment.

**FRANCHISE TAX** Tax imposed on all local sales of public utility services, including electricity, water and solid waste.

**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.

**FUND BALANCE** The difference between financial assets of the fund, and certain liabilities expected to be liquidated in the near future from those assets; i.e., the equity in a governmental fund.

**FUND TYPE** In governmental accounting, all funds are classified into eight generic fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service and Trust and Agency.

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**GENERAL FUND** The Village's major operating fund, which accounts for all financial resources except those required to be accounted for in another fund.

**GENERAL OBLIGATION BONDS** Bonds for the payment of which the full faith and credit of the issuing government are pledged.

<b>GRANTS</b>	Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity or facility.
	-I-
<b>INFRASTRUCTURE</b>	The basic framework or foundation of the Village; i.e., its buildings, roads, bridges, sidewalks, water system and sewer system.
<b>INTEREST INCOME</b>	Revenue associated with the Village cash management activities of investing.
<b>INTERGOVERNMENTAL REVENUE</b>	Consists of revenue received from or through the State. These include State Revenue Sharing, Alcoholic Beverage Tax, Sales Tax (5th cent), and Telecommunications Tax.
<b>INVESTMENTS</b>	Securities and real estate held for the production of revenues in the form of interest, dividends, rentals or lease payments.
	-L-
<b>LIABILITY</b>	Debt or legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date. NOTE: this term does not include encumbrances.
<b>LINE-ITEM BUDGET</b>	A budget, which emphasizes allocations of resources to specific organizational units or particular objects of expenditures, such as personnel services, supplies, and capital outlay. Line-item budgets may be organized to provide accountability at varying levels, such as departments, divisions or agencies.
<b>LONG-TERM DEBT</b>	Debts that will not be paid or otherwise satisfied within one year or the normal operating cycle.
	-M-
<b>MILL</b>	A taxation unit equal to one dollar of tax obligation for every \$1,000 of assessed valuation of property.
<b>MILLAGE RATE</b>	The total tax obligation per \$1,000 of assessed valuation of property.
<b>MODIFIED ACCRUAL</b>	The basis of accounting that recognizes revenues in the accounting period in which they are both measurable and available to finance expenditures. Expenditures are generally recognized in the accounting period in which they are both measurable and incurred. The modified accrual basis of accounting is utilized in the preparation of budgets for all governmental fund types, which include the General Fund, Special Revenue Funds, and the Debt Service Funds contained within this document.

-O-

<b>OBLIGATIONS</b>	Amounts which a government may be required legally to meet out of its resources.
<b>OPERATING BUDGET</b>	Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisitions, spending and service delivery activities of a government are controlled. Law requires the use of an annual operating budget.
<b>ORDINANCE</b>	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.

-P-

<b>PAY-AS-YOU-GO-BASIS</b>	A term used to describe the financial policy of a governmental unit which finances some or all of its capital outlays from current revenues rather than by long-term borrowing.
<b>PERFORMANCE BUDGET</b>	A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.
<b>PROPERTY TAX</b>	A tax levied on the assessed value of real property. The tax is also known as ad valorem tax.

-R-

<b>RESOLUTION</b>	A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.
<b>RETAINED EARNINGS</b>	An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.
<b>REVENUES</b>	An addition to the assets of a fund which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital to enterprise or to intra-governmental service funds.
<b>ROLLED-BACK RATE</b>	The rolled-back rate is the rate of property tax required to raise the same tax revenues in the upcoming fiscal budget year as in the current fiscal budget year, not counting new construction.

-S-

<b>SALES TAX</b>	Tax imposed on the taxable sales of all final goods.
<b>SPECIAL REVENUE FUND</b>	A fund to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**STATUTE** A written law enacted by a duly organized and constituted legislative body.

**STORMWATER UTILITY FUND** A fund to account for the income and expenses of operating the Village's Stormwater runoff collection, transmission and treatment and disposal system.

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**TAX RATE** The amount of tax stated in terms of a unit of a tax base. The State of Florida uses a mill as its tax rate. A mill is the rate applied to each thousand dollars of taxable appraised value. In accordance with Florida Statute, 200.071, except as otherwise provided herein, no ad valorem tax millage shall be levied against real property and tangible personal property by counties/municipalities in excess of 10 mills, except for voted levies.

**TAXABLE VALUE** A value that is established for real and personal property as a basis for levying property taxes. The value is equal to 95% of market value, as required by State law.

**TRIM** Truth in Millage. The Florida Truth in Millage (TRIM) Act serves to formalize the property tax levying process by requiring a specific method of tax rate calculation, form of notice, public hearing requirements and advertisement specifications prior to the adoption of a budget tax rate.

The effect of TRIM is to inform taxpayers that their property taxes are changing (up or down), the cause (a change in the assessed value of their property and/or an increase in the proposed spending level) and how the proposed new tax rate compares to the rate that would generate the same property tax dollars as the current year (the "rolled-back" rate).

**TRANSFERS IN\OUT** Amounts transferred from one fund to another to assist in financing the services of the recipient fund.

-U-

**USER CHARGES** User fees are charged for expenses incurred when services are provided to an individual or groups and not the community at large. The key to effective utilization of user fees is being able to identify specific beneficiaries of services and then determine the full cost of the service they are consuming (e.g. building inspections).

Fees are traditionally charged under the following circumstances:

- Service is supplied to an individual or group
- Benefits accrue to an individual or group
- Service can be withheld from individuals who refuse to pay
- Cost can be passed on to the ultimate beneficiary
- Degree of utilization can be measured
- Use of service is voluntary

## ACRONYMS

<b>AP</b>	<b>Accounts Payable</b>
<b>ARRA</b>	<b>American Recovery and Reinvestment Act</b>
<b>BOCC</b>	<b>Board of County Commissioners</b>
<b>BTR</b>	<b>Business Tax Receipt(s)</b>
<b>CAFR</b>	<b>Comprehensive Annual Financial Report</b>
<b>CIP</b>	<b>Capital Improvement Program</b>
<b>cu</b>	<b>Cubic</b>
<b>DRI</b>	<b>Development of Regional Impact</b>
<b>EAR</b>	<b>Evaluation and Appraisal Report</b>
<b>EEOC</b>	<b>Equal Employment Opportunity Commission</b>
<b>FDEP</b>	<b>Florida Department of Environmental Protection</b>
<b>f.k.a.</b>	<b>Formally Know As</b>
<b>FOC</b>	<b>Field Operations Center</b>
<b>FPL</b>	<b>Florida Power and Light</b>
<b>FRDAP</b>	<b>Florida Recreation Development Assistance Program</b>
<b>ft</b>	<b>Foot</b>
<b>ft<sup>2</sup></b>	<b>Square Foot</b>
<b>f/t</b>	<b>Full time</b>
<b>FRS</b>	<b>Florida Retirement System</b>
<b>FTP</b>	<b>File Transfer Protocol</b>
<b>FY</b>	<b>Fiscal Year</b>
<b>GAAP</b>	<b>Generally Accepted Accounting Principles</b>
<b>GASB</b>	<b>Government Accounting Standards Board</b>
<b>GFOA</b>	<b>Government Finance Officers Association</b>
<b>GIS</b>	<b>Geographic Information System</b>
<b>HVAC</b>	<b>Heating, Ventilation and Air Conditioning</b>
<b>ID</b>	<b>Identification</b>
<b>ITID</b>	<b>Indian Trail Improvement District</b>
<b>LAP</b>	<b>Local Agency Program</b>
<b>lf</b>	<b>Linear Foot</b>
<b>LLC</b>	<b>Limited Liability Company or Corporation</b>
<b>LLLP</b>	<b>Limited Liability Limited Partnership</b>
<b>LWC</b>	<b>Land and Water Conservation</b>
<b>MPO</b>	<b>Metropolitan Planning Organization</b>
<b>MUPD</b>	<b>Mixed Use Planned Development</b>
<b>MXD</b>	<b>Mixed Use Development</b>
<b>NPDES</b>	<b>National Pollutant Discharge Elimination System</b>
<b>PBC</b>	<b>Palm Beach County</b>
<b>PB Co</b>	<b>Palm Beach County</b>
<b>PID</b>	<b>Planned Industrial Development</b>
<b>PR</b>	<b>Payroll</b>
<b>p/t</b>	<b>Part time</b>
<b>PW</b>	<b>Public Works</b>
<b>RPB</b>	<b>Royal Palm Beach</b>
<b>RV</b>	<b>Recreational Vehicle</b>
<b>SFWMD</b>	<b>South Florida Water Management District</b>
<b>SR</b>	<b>State Road</b>
<b>TBD</b>	<b>To Be Determined</b>
<b>TRIM</b>	<b>Truth in Millage</b>