

Adopted Budget

Ordinance 2014-21

ORDINANCE NO. 2014-21

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, ADOPTING THE BUDGET FOR THE TOWN OF DAVIE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Davie must propose and adopt a budget for Fiscal Year 2015; and

WHEREAS, the Town of Davie has held public hearings as required by *s. 200.065, F.S.*; and

WHEREAS, appropriate notice has been given and the required publications made; and

WHEREAS, the Town Council, in accordance with the Town Charter, has considered the proposed budget and made any desired amendments to it; and

WHEREAS, the Town Council approves the tentative Fiscal Year 2015 Budget at the first public hearing and adopts the final Fiscal Year 2015 Budget at the second public hearing.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA.

SECTION 1. That the proposed budget for Fiscal Year 2015, after public hearing, discussion, and amendments, is hereby submitted as "Exhibit A."

SECTION 2. That the Town Council of the Town of Davie does hereby adopt the Fiscal Year 2015 Budget attached as "Exhibit A."

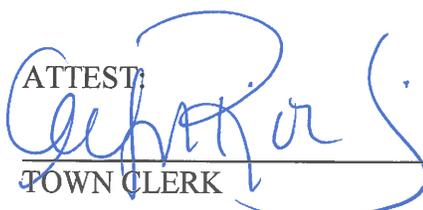
SECTION 3. All ordinances or parts of ordinances in conflict herewith are to the extent of such conflict hereby repealed.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion of this ordinance.

SECTION 5. This ordinance shall take effect immediately upon its passage and adoption.

PASSED ON FIRST READING THIS 3rd DAY OF September, 2014.

PASSED ON SECOND READING THIS 17th DAY OF September, 2014.

ATTEST:

TOWN CLERK


MAYOR/COUNCILMEMBER

APPROVED THIS 17th DAY OF September, 2014.

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

GENERAL FUND

<u>Estimated Revenues</u>	<u>Adopted Budget</u>
Ad Valorem - Operating	\$ 35,355,654
Ad Valorem - Debt Service	5,617,012
Local Option Taxes	1,599,055
Utility Services Taxes	7,940,000
Other General Taxes	4,646,120
Permits, Fees and Special Assessments	24,048,880
Intergovernmental	9,599,363
Charges for Services	11,603,801
Judgments, Fines and Forfeits	1,164,200
Miscellaneous Revenues	1,824,906
Other Sources	<u>3,400,728</u>
TOTAL EST. REVENUE GENERAL FUND	<u>\$ 106,799,719</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

GENERAL FUND

<u>Estimated Appropriations</u>	<u>Adopted Budget</u>
Town Administrator	\$ 2,177,530
Town Attorney	550,715
Law Enforcement Services	41,335,644
Fire Protection Services	27,883,402
Building	3,220,120
Engineering	1,076,939
Planning & Zoning	1,131,605
Public Works	7,767,141
Parks, Recreation & Cultural Arts	4,537,060
Human Resources	936,491
Risk Management	1,645,982
Budget & Finance	1,784,355
Town Clerk	675,489
Community Services	466,045
Debt Service	7,253,747
Non Departmental	<u>4,357,454</u>
TOTAL APPROPRIATIONS GENERAL FUND	<u>\$ 106,799,719</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

COMMUNITY REDEVELOPMENT AGENCY FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Intergovernmental	\$ 1,498,353
Miscellaneous Revenues	125,000
Other Sources	<u>26,382,112</u>
TOTAL EST. REVENUE CRA FUND	<u>\$ 28,005,465</u>
<u>Estimated Appropriations</u>	
Community Redevelopment Agency	<u>\$ 28,005,465</u>
TOTAL APPROPRIATIONS CRA FUND	<u>\$ 28,005,465</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Intergovernmental	\$ 1,331,168
Charges for Services	-
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TOTAL EST. REVENUE CDBG FUND	<u>\$ 1,331,168</u>
<u>Estimated Appropriations</u>	
Community Services	\$ 1,331,168
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TOTAL APPROPRIATIONS CDBG FUND	<u>\$ 1,331,168</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

PARK & OPEN SPACE IMPACT FEES FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Permits, Fees and Special Assessments	\$ 50,000
Other Sources	<u>1,174,511</u>
TOTAL EST. REVENUE PARK IMPACT FEES FUND	<u>\$ 1,224,511</u>
<u>Estimated Appropriations</u>	
Parks, Recreation & Cultural Arts	<u>\$ 1,224,511</u>
TOTAL APPROPRIATIONS PARK IMPACT FEES FUND	<u>\$ 1,224,511</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

FIRE IMPACT FEES FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Permits, Fees and Special Assessments	\$ 100,000
Other Sources	<u>210,000</u>
TOTAL EST. REVENUE FIRE IMPACT FEES FUND	<u>\$ 310,000</u>
<u>Estimated Appropriations</u>	
Fire Protection Services	<u>\$ 310,000</u>
TOTAL APPROPRIATIONS FIRE IMPACT FEES FUND	<u>\$ 310,000</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

POLICE IMPACT FEES FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Permits, Fees and Special Assessments	\$ 70,000
Other Sources	<u>61,000</u>
TOTAL EST. REVENUE POLICE IMPACT FEES FUND	<u>\$ 131,000</u>
<u>Estimated Appropriations</u>	
Law Enforcement Services	<u>\$ 131,000</u>
TOTAL APPROPRIATIONS POLICE IMPACT FEES FUND	<u>\$ 131,000</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

GENERAL GOVERNMENT IMPACT FEES FUND

	Adopted Budget
<u>Estimated Revenues</u>	
Other Sources	\$ 26,000
TOTAL EST. REVENUE GEN GOVT IMPACT FEES FUND	<u>\$ 26,000</u>
<u>Estimated Appropriations</u>	
Town Administrator	\$ 26,000
TOTAL APPROP. GEN GOVT IMPACT FEES FUND	<u>\$ 26,000</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

FORFEITURE FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Other Sources	\$ <u>40,000</u>
TOTAL EST. REVENUE FORFEITURE FUND	\$ <u>40,000</u>
<u>Estimated Appropriations</u>	
Law Enforcement Services	\$ <u>40,000</u>
TOTAL APPROPRIATIONS FORFEITURE FUND	\$ <u>40,000</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

COMMUNITY ENDOWMENT FUND

	Adopted Budget
<u>Estimated Revenues</u>	
Miscellaneous Revenues	\$ 22,000
Other Sources	<u>189,445</u>
TOTAL EST. REV. COMMUNITY ENDOWMENT FUND	<u>\$ 211,445</u>
<u>Estimated Appropriations</u>	
Budget & Finance	<u>\$ 211,445</u>
TOTAL APPROP. COMMUNITY ENDOWMENT FUND	<u>\$ 211,445</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

WATER AND SEWER FUND

	Adopted Budget
<u>Estimated Revenues</u>	
Permits, Fees and Special Assessments	\$ 2,100
Charges for Services	22,263,580
Miscellaneous Revenues	37,000
Other Sources	<u>13,742,714</u>
TOTAL EST. REVENUE WATER & SEWER FUND	<u>\$ 36,045,394</u>
<u>Estimated Appropriations</u>	
Water & Sewer Services	<u>\$ 36,045,394</u>
TOTAL APPROPRIATIONS WATER & SEWER FUND	<u>\$ 36,045,394</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

WATER AND SEWER CAPITAL PROJECTS FUND

	Adopted Budget
<u>Estimated Revenues</u>	
Intergovernmental	\$ 1,077,044
Other Sources	<u>7,884,835</u>
TOTAL EST. REVENUE WATER & SEWER C.P. FUND	<u>\$ 8,961,879</u>
<u>Estimated Appropriations</u>	
Water & Sewer Services	<u>\$ 8,961,879</u>
TOTAL APPROPRIATIONS WATER & SEWER C.P. FUND	<u>\$ 8,961,879</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

GOLF FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Miscellaneous Revenues	\$ 70,000
Other Sources	<u>450,000</u>
TOTAL EST. REVENUE GOLF FUND	<u>\$ 520,000</u>
<u>Estimated Appropriations</u>	
Parks, Recreation & Cultural Arts	<u>\$ 520,000</u>
TOTAL APPROPRIATIONS GOLF FUND	<u>\$ 520,000</u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

VEHICLE MAINTENANCE FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Intergovernmental	\$ 58,000
Charges for Services	4,279,450
Miscellaneous Revenues	35,000
Other Sources	<u>107,430</u>
TOTAL EST. REVENUES VEHICLE MAINTENANCE FUND	<u><u>\$ 4,479,880</u></u>
<u>Estimated Appropriations</u>	
Garage	<u>\$ 4,479,880</u>
TOTAL APPROP. VEHICLE MAINTENANCE FUND	<u><u>\$ 4,479,880</u></u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

SELF INSURANCE FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Charges for Services	\$ 10,045,586
Miscellaneous Revenues	2,065,720
Other Sources	<u>130,824</u>
TOTAL EST. REVENUE SELF INSURANCE FUND	<u><u>\$ 12,242,130</u></u>
<u>Estimated Appropriations</u>	
Risk Management	<u>\$ 12,242,130</u>
TOTAL APPROPRIATIONS SELF INSURANCE FUND	<u><u>\$ 12,242,130</u></u>

EXHIBIT A

**TOWN OF DAVIE
FISCAL YEAR 2015 BUDGET**

INFORMATION TECHNOLOGY FUND

	<u>Adopted Budget</u>
<u>Estimated Revenues</u>	
Charges for Services	\$ 2,258,773
Other Sources	<u>485,894</u>
TOTAL EST. REVENUE INFORMATION TECH. FUND	<u><u>\$ 2,744,667</u></u>
<u>Estimated Appropriations</u>	
Information Technology	<u>\$ 2,744,667</u>
TOTAL APPROPRIATIONS INFORMATION TECH. FUND	<u><u>\$ 2,744,667</u></u>

Adopted Millage Rates

Fiscal Year 2015

Ordinance 2014-20

ORDINANCE 2014-20

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, ESTABLISHING THE MILLAGE RATES TO BE LEVIED FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to applicable provisions of law, the Town Council held a public hearing on September 3, 2014 at 5:01 p.m. in the Town Hall during which it computed and adopted a tentative operating millage rate and budget for the fiscal year beginning October 1, 2014 and ending September 30, 2015 (FY 2015); and

WHEREAS, said tentative budget and a “Notice of Proposed Tax Increase” were published according to law to advise the public that a public hearing on the proposed millage rate and budget would be held on September 17, 2014 at 5:01 p.m. in the Town Hall; and

WHEREAS, pursuant to applicable provisions of law, the electorate of the Town of Davie has voted to authorize the issuance of general obligation debt for parks and recreation projects, for preservation of open space and green space, for constructing and maintaining parks and the trail system, for a public safety facility, and for fire rescue facilities, apparatus, equipment and technology to be repaid by a tax on real and personal property; and

WHEREAS a tax needs to be levied for Fiscal Year 2015 to provide funding for the payment of Voted Debt Service; and

WHEREAS, public hearings have been held and comments from the public concerning the proposed budget and millage rates have been heard and considered.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The tentative operating millage rate of the Town of Davie for Fiscal Year 2015 shall be 5.0829 mills, as approved at the September 3, 2014 public hearing. The tentative millage rate is 5.5% greater than the rolled-back rate of 4.8180 mills. This is the percentage increase in property taxes tentatively adopted by the Town Council.

SECTION 2. The final operating millage rate of the Town of Davie for Fiscal Year 2015 shall be 5.0829 mills, as adopted at the September 17, 2014 public hearing. The final millage rate is 5.5%

greater than the rolled-back rate of 4.8180 mills. This is the percentage increase in property taxes adopted by the Town Council.

SECTION 3. The tentative voted debt millage rate of the Town of Davie for Fiscal Year 2015 shall be .8081 mills as approved at the September 3, 2014 public hearing. The voted debt millage rate includes a tax of .1063 mills for open and green space acquisition, .1135 mills for the public safety facility, .1554 mills for the 1998 Parks and Recreation Bonds, .2732 mills for the 2006 Open Space Bonds, and .1597 mills for the 2006 Fire Bonds, for a total levy of .8081 mills.

SECTION 4. The final voted debt millage rate of the Town of Davie for Fiscal Year 2015 shall be .8081 mills as adopted at the September 17, 2014 public hearing. The voted debt millage rate includes a tax of .1063 mills for open and green space acquisition, .1135 mills for the public safety facility, .1554 mills for the 1998 Parks and Recreation Bonds, .2732 mills for the 2006 Open Space Bonds, and .1597 mills for the 2006 Fire Bonds, for a total levy of .8081 mills.

SECTION 5. Such millage rates shall be certified by the Town Administrator and/or Director of Budget and Finance as appropriate to the Broward County Property Appraiser, Broward County Revenue Collector, and the Florida Department of Revenue, and such millage rate may be extended by the Property Appraiser against all property that is subject to taxation and located within the corporate limits of the Town of Davie, Florida.

SECTION 6. All ordinances or parts of ordinances in conflict herewith are to the extent of such conflict hereby repealed.

SECTION 7. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion of this ordinance.

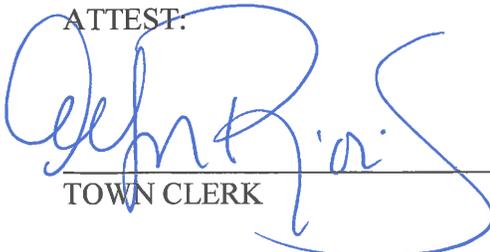
SECTION 8. This ordinance shall take effect immediately upon its passage and adoption.

PASSED ON FIRST READING THIS 3rd DAY OF September, 2014.

PASSED ON SECOND READING THIS 17th DAY OF September, 2014.


MAYOR/COUNCILMEMBER

ATTEST:


TOWN CLERK

APPROVED THIS 17th DAY OF September, 2014.

FINANCIAL POLICIES

The Town of Davie Financial Policies set forth the basic framework for the overall fiscal management of the Town. These policies represent a foundation, provide guidelines for evaluating both current activities and proposals for future programs, and assist the Town Council and the Town Administrator in making decisions. Most of the policies reflect long-standing principles, traditions and practices that have guided the Town in the past and which have helped to maintain financial stability.

The Town of Davie has established a comprehensive series of financial policies which embody recognized sound financial management concepts. It is anticipated that these policies will be amended as necessary during the Town's annual budget process and reconfirmed each year as a part of budget adoption.

The financial policies are organized under four subject headings:

- I. **General Fiscal Policy** presents the overall guidelines for financial and accounting practices, including the basic framework for preparing the Town's operating and capital budgets, maintaining accounting records, and funding services on a non-discriminatory basis.
- II. **Fiscal Policy for Operating Revenue, Expenditures, and Fund Balance/Net Assets** outlines the policies for budgeting and accounting for revenue and expenditure requirements, and providing adequate fund balance and net assets in the Town's various operating funds. This section includes several references to capital project funding in relation to the amount and type of support to be provided by the operating funds.
- III. **Fiscal Policy for Investments** provides guidelines for investing operating and capital balances.
- IV. **Fiscal Policy for Capital Revenue and Expenditures, and Debt Financing** directly relates to the resources and requirements of the Capital Improvement Program. Included are overall policies on issuance of debt, as well as specific guidelines applicable to specific fund types.

The Town maintains budgetary controls to ensure compliance with its fiscal policies and legal provisions included in the Florida Statutes, the Town Charter, and those approved by the Town Council in the annual adopted budget.

The Town will normally adhere to these financial policies in the conduct of its operations. However, it must be noted that these policies are guidelines and not statutory limitations. Some of the policies, particularly with regard to recommended fund balance or net assets, are designed as goals to be pursued, not necessarily achieved on an annual or ongoing basis. The Town reserves the right to deviate from any or all of the financial policies if such action is determined by Town Council to be in the best interest of the Town.

I. GENERAL FISCAL POLICY

GENERAL GUIDELINES

1. The Annual Operating Budget of the Town of Davie, Florida, shall balance the public service needs of the community with the fiscal capabilities of the Town. The Town's budget shall be adopted in September of each year following two public hearings. The Annual Operating Budget shall coincide with the fiscal year of the Town, commencing on October 1 and ending on September 30 of each year. Per Section 166.241 of the Florida Statutes, the budget must be balanced for all adopted funds. A balanced budget is defined as current revenues will be sufficient to support current expenditures.
2. The Annual Operating Budget is intended to pursue the goals and objectives established by the Town Council for the next fiscal year. It is prepared by the Town Administrator, approved by the Town Council via ordinance, and is the basis for all expenditures necessary for conducting daily Town business.

3. The budget is a fund budget structured to provide departmental appropriations in conformance with:
 - Title XIV, Florida Statutes, which establishes the legal parameters for municipal taxation as well as budget preparation, presentation, adoption, execution and amendment;
 - The Town of Davie Charter and Code of Ordinances;
 - The Uniform Accounting System prescribed by the Florida Department of Financial Services; and
 - Accounting principles generally accepted in the United States of America for governments.
4. The Town of Davie shall operate under a unified and uniform budget system. The Town Administrator shall be responsible for developing appropriate budgetary procedures consistent with Florida Statutes, which shall be followed by all departments or divisions submitting budgets to the Town Council for approval. Budget guidelines/instructions and a budget calendar will be prepared each year to provide a framework within which the interactions necessary to formulate a sound budget should occur. At the same time, they will ensure that the Town will comply with all applicable Federal and State timelines and legal mandates.
5. Service programs will represent a balance of services, but will employ special emphasis on the Town's Strategic Priorities. These include: 1) Commitment to customer satisfaction; 2) Dedication to excellence in service delivery; 3) Respecting and promoting diverse and sustainable community and neighborhood values with consideration of our historic roots; 4) Creating an environment that is conducive to innovation, creativity, and collaboration; and 5) Nurturing the health, safety, and welfare of the community. Services shall be provided on a most cost-effective basis.
6. New programs, services, or facilities shall be based on general citizen demand, need, or legislated mandate.
7. The Town shall provide funding for public services on a fair and equitable basis, and shall not discriminate in providing such services on the basis of race, color, national origin, religion, sex, sexual preference, marital status, age, or disability.
8. In no event will the Town levy ad valorem taxes against real property and tangible personal property in excess of 10 mills, except for voted debt levies, as limited by Section 200.081 Florida Statutes.

SPECIFIC GUIDELINES

1. The Town recognizes that its citizens deserve a commitment from the Town for fiscal responsibility, and that a balanced operating budget is the cornerstone of fiscal responsibility. Operating expenditures will be fiscally balanced with the revenues expected to be received during the fiscal year.
2. Budgets and expenditures for the Town shall be under Town Council appropriation control.
3. The budgets of the Town's governmental funds are prepared on a modified accrual basis of accounting. These include the General Fund and all Special Revenue Funds. As such, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recorded when a liability is incurred. At year-end, open encumbrance balances lapse in the General Fund.
4. The budgets of the Town's proprietary funds are prepared on the accrual basis of accounting. These include the Enterprise Funds and Internal Service Funds. As such, revenues are recorded when earned, regardless of the timing of related cash flows. Expenditures likewise are reported when a

liability is incurred. The following are budgeting exceptions to the accrual basis of accounting for the Town's proprietary funds:

- a. Capital outlays are budgeted as expenditures rather than depreciating them;
 - b. Proceeds from the issuance of debt are considered to be revenues, not an increase in liabilities.
5. Preparation of the Town's Annual Operating Budget shall be in such format as to allow correlation with the costs reported in the Town's Comprehensive Annual Financial Report, with content of said budget to include that required by Town Charter, Florida Statute, or as later revised by Ordinance of the Town Council. Detailed estimates shall be provided by account at the division or program level, summarized by department, then summarized and by fund.
6. The Town's budgeting process must be dynamic and flexible enough to meet the changing needs of the departments throughout the fiscal year. As such, a means must be provided through which changing needs can be accommodated within the framework of applicable Florida Statutes and local ordinances. Changes may be made to the budget at any time throughout the fiscal year and up to 60 days after fiscal year end. Per the Town's Charter, intradepartmental budget transfers \$5,000 and less may be approved by the Town Administrator. Budget transfers exceeding \$5,000, budget transfers between departments and all budget amendments may occur only upon approval by the Town Council. The level of budgetary control is established at the department level.
7. New programs or changes in policies that would require the expenditure of additional operating funds will be funded either through a reduction in programs of lower priority or through adjustments to rates, service charges or taxes. Requests for new programs or policies or changes to existing ones will be accompanied by an analysis of the short and long-term impact on the operational budget caused by such changed or new program or policy.
8. The Town shall prepare and implement a Capital Improvement Program (CIP), consistent with State requirements. The CIP shall schedule the funding and construction of projects for a ten-year period. The CIP shall be consistent with the Town's Comprehensive Plan, balancing the needs for improved public facilities and infrastructure within the fiscal capabilities of the Town. As directed in Section 8(E)(1) of the Town's Charter, each year the administrative head of the Town shall submit to the council a proposed capital program. The program shall be submitted by August 15 for the ensuing fiscal year. The projects and the project funding for the first year of the CIP must be specifically identified and approved by Town Council.
9. It is unlawful for the Town to expend or contract for the expenditures of more than the amount budgeted in any fund's annual appropriation for any fiscal year. An exception may be made for multi-year construction contracts where funding has been approved in the Capital Improvements Program and sufficient monies are available in the current year's budget to meet the progress payments within the current fiscal year.
10. The Town shall maintain its accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB).
11. The Town shall maintain its capital and non-capital asset records in accordance with the policy and procedures set forth by the Budget and Finance Director. Individual assets costing \$1,000 or more are accounted for. Annually, the Town utilizes an outside consultant to update the Town's Asset inventory to ensure the accountability of Town assets.
12. If applicable, inter-fund loans must be supported by a fiscally sound source of funds available for repayment.

13. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus – revenues are recorded when susceptible to accrual, both measurable and available. All enterprise and internal service funds are accounted for using the accrual basis of accounting and the economic resources measurement focus – revenues are recognized when earned and expenses are recognized when incurred.

II. FISCAL POLICY FOR OPERATING REVENUE, EXPENDITURES AND FUND BALANCE/NET ASSETS

GENERAL GUIDELINES

1. Revenue

- a. Revenue projections will be based on an analysis of historical trends and reasonable assumptions made on a conservative basis of future conditions to ensure that estimates are realized.
- b. The Town will not use long-term debt to finance expenditures required for operations.
- c. As a general rule, operating budgets will be balanced using current year revenues to finance current year expenditures. Fund balances shall not normally be budgeted as a resource to support routine annual operating expenses. However, balances exceeding the policy targets may be budgeted judiciously as a resource to support capital, debt, or extraordinary major maintenance needs on a non-recurring basis, or for specific purposes, as designated.
- d. One-time revenues will be applied toward one-time expenditures to the extent feasible. The Town will avoid using temporary revenues to fund mainstream services. Ongoing revenues should be equal to or should exceed ongoing expenditures.
- e. Since ad-valorem is the General Funds greatest revenue source, the Town will attempt to maintain a stable tax base. The Town will budget 95 percent of anticipated gross ad valorem proceeds to provide an allowance for discounts for early payment of taxes (Section 200.065 of Florida Statutes states that each taxing authority shall utilize not less than 95 percent of the taxable value).
- f. A diversified and stable revenue system will be maintained to shelter the government from short-run fluctuations in any one revenue source. The Town should strive to diversify its revenues in order to maintain needed services, specifically during periods of declining economic activity.
- g. Unless otherwise stated explicitly by the Town Council, the Town will not earmark discretionary revenues for specific purposes. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
- h. The Town may charge the direct beneficiaries of Town services the full cost of providing those services based on comparative studies of other public and private sector entities and other considerations, such as public health and safety or ability to pay. The amount of a fee should not exceed the overall cost of providing the facility, infrastructure or service for which the fee is imposed. In calculating a cost, direct and indirect costs may be included. Service costs may be recalculated periodically, and fees will be adjusted accordingly.
- i. To some degree, the Town's largest revenue sources are somewhat unpredictable. For example, intergovernmental revenues and interest income, both of which are used to fund ongoing programs, are oftentimes difficult to forecast because receipts are largely dependent

on the actual economic climate of a given period and thereby increase/decrease with the market economy. The Town recognizes this, and, therefore, performs its own due diligence to project these revenues accurately and conservatively. The Town looks at historical trends, does an analysis and also pays attention to the appropriate external influences (i.e. the economy, State Legislation) in projecting the upcoming budget year.

2. Expenditures

- a. Normal maintenance requirements necessary to sustain the basic asset value will be included in the expenditure budget of the proper operating fund.
- b. Contractual obligations required by labor agreements and compensation plans for employees will be included in the budget, dependent upon available funds.
- c. Capital will be provided for major improvements and automation of services based on multiple-year planning and appropriate cost-benefit analyses. Future capital improvement requirements and equipment replacement will be included in operating plans or in the CIP. The annual amount set aside to provide reserves for future capital requirements will be tailored to the needs of the specific operation, if not established by bond resolution, and will be above the normal fund balance.

3. Unrestricted Fund Balance/Unrestricted Net Assets

- a. Sound fiscal policy dictates some level of fund balances for a governmental entity. Fund balance is defined as the difference between assets and liabilities reported in a fund. It is also referred to as fund equity. Maintaining an adequate fund balance serves the following purposes: to secure and maintain the Town's investment-grade credit ratings, meet shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls.
- b. The Town's Fund Balance Policy is established through Resolution R-2012-44 and applies to the General Fund and all governmental funds. Per the adopted Fund Balance Policy, fund balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.
- c. The adopted Fund Balance Policy establishes:
 - (i) Fund balance policy for the Town's General Fund and all other governmental funds;
 - (ii) Restrictions, commitments and assignments of fund balance for the Town's General Fund and all other governmental funds;
 - (iii) The spending order of fund balances.
- d. Non-Spendable Fund Balance
 - (i) Non-spendable fund balance is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and, items legally or contractually required to be maintained intact.
 - (ii) The following Non-spendable Fund Balance classifications are examples of those that may be used in reporting the Town's financial position:
 - a. Inventory Reserve – The Inventory Fund Balance Reserve reflects those amounts relating to inventories that are not in a spendable form.

- b. Prepaid Expenditures – The Prepaid Expenditures Fund Balance Reserve reflects those amounts relating to prepaid expenditures that are not in a spendable form.
- e. Restricted Fund Balance
 - (i) Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. A number of items that would otherwise qualify as restricted fund balance of the General Fund will instead be budgeted and reported in special revenue funds or capital project funds as appropriate.
 - (ii) The following Restricted Fund Balance classifications are examples of those that may be used in reporting the Town’s financial position:
 - a. Debt Service Reserve – The Debt Service Reserve reflects those amounts relating to voted debt service ad valorem tax revenues collected in excess of actual principal and interest payments on the voted debt service bond issue(s) and which are thereby restricted to be used for future debt service payments of principal and/or interest.
 - b. Building Reserve – The Building Reserve reflects those amounts relating to building division permitting revenues collected in excess of actual building division expenditures and which are thereby restricted to be used for future payment of building division expenditures.
- f. Committed Fund Balance
 - (i) Commitment of fund balance may be made for such purposes including, but not limited to, a) major maintenance and repair projects; b) meeting future obligations resulting from a natural disaster; c) accumulating resources pursuant to stabilization arrangements; d) establishing reserves for disasters; and/or e) for setting aside amounts for specific projects.
 - (ii) Commitment of fund balance may be made from time-to time by ordinance or resolution of the Town Council. Commitments may be changed or lifted only by the Town Council taking the same formal action that imposed the constraint originally. The use (appropriation) of committed fund balances will be considered in conjunction with the annual budget adoption process or by budget amendment approved by the Town Council during the fiscal year.
 - (iii) The following fund balance reserves are established in the General Fund:
 - a. Hurricane/Emergency and Disaster Recovery Operating Reserve – The Hurricane/Emergency and Disaster Recovery Operating Fund Balance Reserve is to be maintained at 25% of the General Fund’s budgeted operating revenues. This reserve is established for the purposes of responding to and providing relief and recovery efforts to ensure the maintenance of services to the public during hurricane/emergency/disaster situations. Such emergencies include, but are not limited to hurricanes, tropical storms, tornadoes, flooding, terrorist activity and other natural or man-made disasters. Additional funds may be appropriated when necessary via a budget amendment ordinance. This Reserve may not necessarily be established in the annual budget. In the event these funds are utilized, they should be replenished in order to prepare for possible future events. The Town will make every effort to replenish this

reserve over a five-year period beginning with the completion of recovery from the event for which the reserve funds were used.

- b. Capital Reserve – The Capital Fund Balance Reserve is committed by the Town Council as set forth in the annual budget ordinance (and any amendments thereto) to be utilized in future years to fund various capital needs.

g. Assigned Fund Balance

- (i) Assignment of fund balance may be a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.
- (ii) Assigned fund balance shall reflect management's intended use of resources as established by either (1) the annual budget process (and any amendments thereto) or (2) by agreement of the Budget and Finance Director and Town Administrator (or designee) prior to the end of each fiscal year. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.
- (iii) The following Assigned Fund Balance classification is an example of one that may be used in reporting the Town's financial position:
 - a. Designated Carry Forward – The Designated Carry Forward Fund Balance Reserve is assigned by the Town as set forth in the annual budget and any amendments thereto to provide funds for differences if any between budgeted revenues and expenditures.

h. Unassigned Fund Balance

- (i) Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.

i. Disbursement of Fund Balance Reserves

- (i) Disbursements of funds within the fund balance reserves shall be authorized by an ordinance of the Town Council and may be approved by inclusion in the approved annual budget and amendments thereto or shall be authorized pursuant to any ordinances or procedures adopted by the Town Council such as the Town's procurement code.

j. Special Revenue Funds

- (i) Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- (ii) The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion (hereby established as a minimum of 50%) of the inflows reported in the fund. The Budget and Finance Department will discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the General Fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

k. Capital Project Funds

- (i) Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

l. Budgeting

(i) Appropriation of Unrestricted Fund Balance

- a. The actual amount of unrestricted fund balance (total of committed fund balance, assigned fund balance and unassigned fund balance) is not known until the completion of the annual audit, which is completed approximately six months after the end of the fiscal year being audited. However, an estimate of unrestricted fund balance (also called estimated beginning fund balance) will be made during the annual budget adoption process (July through September) which is prior to the end of the fiscal year, September 30th.

m. Spending Order of Fund Balances

- (i) The Town spends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

- n. Open encumbrances at the end of the fiscal year may only be classified a committed or assigned, depending on at what level of authorization originally established them.

o. Annual Review

- (i) Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process. Minimum reserve targets may also be reviewed during the budget process. Any changes to the targeted amounts established herein must be approved by the Town Council.

SPECIFIC GUIDELINES

1. General Fund

- a. The General Fund is the principal operating fund of the Town and will account for activities not reported in another type of fund for legal or managerial reasons.
- b. The operating budget of the General Fund will be prepared based on 95% of the certified taxable value of the property tax roll and conservative estimates of other sources of General Fund revenue.
- c. Service charges and fees for all General Fund services will be analyzed to ensure an appropriate proportional recovery of direct costs and overhead.

2. Special Revenue Funds

- a. Special revenue funds will be used to account for specific revenue sources that are restricted to expenditures for specific purposes. Dedicated operations that cover only a substantial portion of their costs by user fees and charges, and therefore require ongoing operating subsidies, will be classified as special revenue funds.
 - b. Special revenue funds include Community Redevelopment Agency, Community Development Block Grant, Impact Fees (Parks and Open Space, Fire, Police and General Government), Forfeiture, Affordable Housing and Community Endowment.
3. Enterprise Operating Funds
- a. Enterprise funds will be used to account for those activities where the costs are expected to be funded by user fees and charges. Enterprise Funds include the Water and Sewer Fund, Water and Sewer Capital Projects Fund and the Golf Fund.
 - b. Enterprise Operating Funds will pay the General Fund their proportionate share of the cost of general administrative departments. The Water and Sewer Fund and Golf Fund should be able to produce sufficient revenue from service charges to fully recover all direct operating costs and overhead, plus provide for debt service and major capital outlay. Initial startup of operations or specific circumstances may require an individual enterprise to be subsidized for a limited period of time; however, it is fully expected that these operations will be self-supporting over time and will repay any subsidy to the General Fund as revenues permit.
 - c. Service charges, rent and fee structures will be established to ensure recovery of all costs.
 - d. The expenditure requirements of the Enterprise Operating Funds will include all expenses of the operations, as well as any debt payments for interest.
 - e. A review of service cost and rate structures of the Water and Sewer Fund charges will be performed on an as needed basis. The adopted budget will set forth the cost requirements to be recovered by the service charges, which will be based on the cost of services provided.
4. Internal Service Funds
- a. The Internal Service Funds will be used to account for the cost of providing specific goods or services to Town departments where those services can reasonably be apportioned to the users on a cost-reimbursement basis.
 - b. Charges to departments for internal services rendered will be sufficient to cover the total cost of performing services on an efficient basis. Rates or rate schedules for such charges shall be presented to the Town Administrator prior to the planned date of implementation.
 - c. Replacement of equipment, including considerations for inflation, will be included in the cost of furnishing services.
 - d. Lease purchase or borrowing of funds will be considered appropriate only if it involves a major conversion from which the cost saving benefits will accrue in future years during the useful life of assets acquired by such methods.
 - e. Internal Service Funds include Vehicle Maintenance, Self Insurance, and Information Technology.

III. FISCAL POLICY FOR INVESTMENTS

GENERAL GUIDELINES

1. The investment of Town funds shall be controlled by the Town's Investment Policy, approved by the Town Council through Resolution 2003-070 and shall conform to Florida Statutes 218.415.
2. The Town contracts with an investment management services provider that was selected via a request for proposal. The funds that are not invested by the investment management services provider are primarily deposited into a Qualified Florida Public Depository checking account owned by the Town. The balance of investible cash may be deposited with the investment pools of the State or the Florida League of Cities, or may be invested in authorized money market funds and other investment vehicles held at other asset management firms as defined in the Town's investment policy.
3. Bond or loan proceeds for construction funds are to be held in a qualified financial institution separate from the Town's operating accounts.
4. The investment management services provider shall make a presentation to the Budget Advisory Committee at least semi-annually.
5. Arbitrage restricted bond proceeds for construction funds may be held in a separate account and earn applicable interest income and investment income, as guided by the Town's Investment Policy.

IV. FISCAL POLICY FOR CAPITAL REVENUE AND EXPENDITURES AND DEBT FINANCING

GENERAL GUIDELINES

1. Revenue
 - a. Revenue sources for the first year of the Capital Improvement Program Plan shall be based on conservative assumptions of dedicated revenue sources.
2. Expenditures
 - a. Capital projects shall be justified in relation to the Town's Comprehensive Plan and Council direction.
 - b. Capital expenditures include money spent to acquire or upgrade physical assets (i.e. buildings, infrastructure, machinery, land).
 - c. Estimated requirements for capital projects shall include all costs reasonably associated with the completion of the project.
 - d. The impact of each project on the operating revenues and expenditures of the Town shall be analyzed as required by the General Fiscal Policy stated above.
 - e. Consistent with IRS regulations, debt repayment will not exceed the average life of improvements.
3. Debt Financing
 - a. Long Term Debt: Annual debt service payments will be level over the life of a bond issue, unless fiscal or other constraints dictate an alternative approach. A policy of full disclosure will be followed in all financial reports and official statements for debt.

- b. Medium Term Debt: Lease-purchase agreements, bonds, loans, or other debt instruments may be used as a medium-term (3 to 10 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life of more than three years. The Town will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.
- c. Short Term Debt: Short-Term borrowing may be utilized as temporary funding for anticipated tax revenue; anticipated grant payments, anticipated bond proceeds, or other expected revenues. Anticipated funding is defined as an assured revenue source with the anticipated amount based on conservative estimates. Such borrowing may utilize a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax-exempt commercial paper, bond anticipation notes, or tax anticipation notes, may be used when it provides immediate financing and an interest advantage, or delays long-term debt until market conditions are more favorable. The Town will determine and utilize the least costly method for short-term borrowing. Short-term debt may be refunded in accordance with applicable Federal laws.

SPECIFIC GUIDELINES

- 1. General Capital Improvements: General capital improvements, or those improvements not related to municipally-owned enterprises, may be funded from General Fund revenues or fund balances, the sale of revenue bonds or general obligation bonds/loans, special revenues, special assessments and grants.
 - a. Pay-As-You-Go Capital Improvements: Pay-as-you-go capital improvements may be funded from General Fund revenues or fund balances, state and federal grants, special assessments, or other sources of revenue that may become available to the Town. Major capital projects related to the delivery of general public services shall be paid from general purpose revenues. It is recognized that the allocation of funds in any given year of the program may vary significantly from these parameters due to prioritization and scheduling of projects.
 - b. Special Assessments: When special assessments are used, the interest rate charged will be established by Town Council consistent with State law.
 - c. Revenue Bonds Debt Limit: Sale of revenue bonds for capital improvements will be limited to that amount which can be supported from the pledge of the specific revenue.
- 2. Enterprise Capital Improvements: Enterprise funds improvements may be funded from operating revenue or unrestricted net assets, the sale of revenue bonds, loans, special assessments and grants.
 - a. Pay-As-You-Go Capital Improvements: Enterprise funds may support needed capital improvements on a pay-as-you-go basis from operating revenues, from unrestricted net assets, assessments, reserves (i.e. renewal and replacement, capital replacement account) and grants. Major capital projects related to the delivery of municipally owned enterprises will be paid from the revenue of that enterprise fund.
 - b. Special Assessments: When special assessments are used for enterprise-related improvements, the interest rate charged will be established by Town Council consistent with State law.
 - c. Revenue Bonds Debt Limit: Sale of revenue bonds will be limited to that amount which can be supported from user fees generated, or combination of other revenues.

ACRONYMS

AMR	Automated Meter Reading	HR	Human Resources
APA	American Planning Association	HTE	Sungard Public Sector Software
AVL	Automatic Vehicle Locator	IAFF	International Association of Fire Fighters
BBR	Betty Booth Roberts Park	HVAC	Heating, Ventilation, and Air Conditioning
BC	Broward College	INC	Incorporated
BTR	Business Tax Receipts	IT	Information Technology
CAFR	Comprehensive Annual Financial Report	KPI	Key Performance Indicators
CDBG	Community Development Block Grant	LDR	Land Development Regulation
CERT	Community Emergency Response Team	LOS	Level of Service
CIAC	Contribution in Aid of Construction	LS	Lift Station
CIGP	County Incentive Grant Program	MFP	Multifunction Printers
CIP	Capital Improvement Program aka Capital Improvement Projects aka Capital Projects Program	MGD	Million Gallons per Day
CO	Certificate of Occupancy	MIS	Management Information Systems
COPS	Community Oriented Policing Service	N/A	Not Available
CPR	Cardio Pulmonary Resuscitation	NIMS	National Incident Management System
CRA	Community Redevelopment Agency	NPDES	National Pollutant Discharge Elimination System
CRS	Citizen's Response System	NSP	Neighborhood Stabilization Program
CST	Communications Services Tax	NSU	Nova Southeastern University
DMIA	Davie Merchant Industrial Association	NWS	New World Systems
DRC	Development Review Committee	OPEB	Other Post Employment Benefits
DRI	Disaster Recovery Initiative	P/T	Part Time
DROP	Deferred Retirement Option Plan	PAL	Police Athletic League
EDC	Economic Development Council	PD	Police Department
EECBG	Energy Efficiency Community Block Grant	PIMPC	Pine Island Multipurpose Center
EMS	Emergency Medical Services	PIO	Public Information Officer
EMT	Emergency Medical Technician	PSA	Police Service Aide
EPLI	Employment Practices Liability Insurance	RAI	Request for Additional Information
ERP	Enterprise Resource Planning	ROW	Right-of-Way
EST	Estimated	RQRD	Required
F/T	Full Time	S&P	Standard and Poor's
FD	Fire Department	SCADA	Supervisory Control and Data Acquisition
FAU	Florida Atlantic University	SCBA	Self Contained Breathing Apparatus
FDLE	Florida Department of Law Enforcement	SFEC	South Florida Education Center
FF	Firefighter	SHIP	State Housing Initiative Partnership
FICA	Federal Insurance Contributions Act	SOE	Supervisor of Elections
FOC	Field Operations Center	SOH	Save Our Homes
FOP	Fraternal Order of Police, Inc.	SP	Strategic Priorities
FOPA	Fraternal Order of Police Associates	SPEC.	Specialist
FPL	Florida Power and Light	SR7	State Road 7 / US 441
FTE	Full Time Equivalent	SRO	School Resource Officer
FTGS	Fittings	SVC.	Service
FV	Fair Value	SW	Southwest
FY	Fiscal Year (Oct. 1 through Sept. 30)	SWMP	Storm Water Master Plan
GAAP	Generally Accepted Accounting Principles	TA	Town Administrator
GASB	Government Accounting Standards Board	TCAR	Town Council Agenda Report
GEEC	Green Energy and Environmental Committee	TIF	Tax Increment Financing
GIS	Geographical Information System	TIMS	Technology and Information Management Systems
GLTD	General Long Term Debt	TPA	Third Party Administrator
GO	General Obligation Bond	TRIM	Truth in Millage
GOV Q/A	Citizen's Support Software Program	VM	Virtual Machine
H2H	Headstart to Homeownership	UF	University of Florida
H&CD	Housing & Community Development	WTP	Waste Treatment Plant
HOME	HOME Investment Partnerships Program	WW	Waste Water
		WWTP	Waste Water Treatment Plant
		YTD	Year-To-Date

GLOSSARY OF TERMS

Account	A financial reporting unit. All budgetary transactions are recorded by account.
Accrual	An accounting entry recognizing a revenue or expense that has been incurred but not yet received or spent.
Accrual Basis of Accounting	A method of accounting in which revenues are recognized when earned (when service is provided) and expenses are recognized when incurred (when the benefit is received). Enterprise and internal service funds are accounted for using this method.
Ad Valorem	Revenue generated by placing a tax on the value of real, personal, and centrally assessed property that is subject to taxation, as defined by Florida statutes.
Amended Budget	The adopted budget as formally adjusted by the Town Council.
Amortization	The reduction of debt through regular payments of principal and interest sufficient to retire the debt instrument at a predetermined date known as maturity.
Annual Budget	A budget applicable to a single fiscal year.
Appropriation	A legal authorization to incur obligations and to make expenditures for specific purposes.
Assessed Value	The valuation set upon real estate and certain personal property by the Property Appraiser as a basis for levying Ad Valorem (property) taxes.
Assigned Fund Balance	Includes spendable fund balance amounts established by management of the Town that are intended to be used for specific purposes that are considered neither restricted nor committed. Amounts should not be reported as assigned to a specific purpose if the assignment would result in a deficit unassigned fund balance.
Balanced Budget	A budget in which the estimated revenues are equal to the planned expenditures.
Bond Issue	A borrowing based upon certificates of debt containing a promise to pay a specified sum of money (face value or principal) at a specified date or dates in the future together with periodic interest at a specified rate.
Budget	An operational guide of planned financial activity for a specified period of time (fiscal year or project length) estimating all anticipated revenues and expected expenditures/expenses for the budget period. A policy document that communicates programmatic goals and objectives and the anticipated means and resources for achieving them.
Budget Calendar	A schedule of key dates related to the development, preparation, adoption, and administration of the annual budget.
Budget Highlights	A summary of the most important challenges of the budget year and changes from the previous years (staffing, programmatic and service level).
Budget Message	An executive-level overview of the proposed budget delivered by the Town Administrator to the Town Council. It discusses the major Town issues and the proposed means of dealing with them, highlights key experiences during the current fiscal year, and indicates how current and proposed budgetary plans will meet the Town's objectives.
Budget Transfer	Budget amounts transferred from one fund, department, division/program or line item to another to assist in financing the service of the recipient fund, department, division/program or line item.

Capital Budget	The first year of the capital improvement program, which includes capital project appropriations and the revenues required to support the projects.
Capital Expenditures	Capital expenditures include money spent to acquire, construct or upgrade physical assets such as buildings, infrastructure, machinery/equipment and land.
Capital Outlay	Expenditures for capital items such as equipment, machinery, or vehicles greater than \$1,000 from operating funds. These are appropriated in the programs within the Town's operating budget.
Capital Improvement Program	A plan for capital expenditures planned for the next ten years. The program specifies both proposed projects and the resources estimated to be available to fund projected expenditures.
Charges for Services	Revenues received in exchange for a particular service provided. An example is revenue received by the water and sewer fund from a utilities customer based upon their water usage that month.
Committed Fund Balance	Amounts that can be used only for the specific purpose(s) determined by a formal action (ordinance/resolution) of the Town Council, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Council taking the same formal action (ordinance/resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.
Community Development Block Grant (CDBG)	A U.S. Department of Housing and Urban Development grant. The grant funds local programs for affordable housing, anti-poverty and infrastructure development.
Community Development Block Grant (CDBG) Fund	The fund used to account for the Town's CDBG grant and other grants received from the U.S. Department of Housing and Urban Development and administered by the Town's Office of Community Development.
Community Oriented Policing Service Grant (COPS)	A U.S. Department of Justice Community Oriented Policing Services grant. These grants may provide staffing, technology or other enhancements to the police department.
Community Redevelopment Agency (CRA)	A public entity created by the Town under Florida Statutes to eliminate and prevent conditions of blight in a designated area. The Town Council serves as the CRA Board. Tax Increment Financing (TIF) is used for public improvements and other redevelopment programs or projects.
Cost Allocation	Method designed to recover indirect costs from activities for the administration of specific services provided to those activities.
Comprehensive Annual Financial Report (CAFR)	This official report completed annually after the end of the fiscal year presents the status of the Town's finances in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues and expenditures.
Contingency	An appropriation of funds to cover unforeseen expenses that may occur during the budget year.
Debt	An obligation resulting from the borrowing of money or from the purchase of goods and services. Debt instruments used by the Town of Davie may include general obligation bonds, special obligation bonds, bond anticipation notes, and tax anticipation notes. All debt instruments must be approved by the Council. All G.O. (General Obligation) bonds must be approved by the voters.
Debt Service	Payment of principal and interest on borrowed funds such as bonds and loans.

Deficit	The excess of liabilities over assets, or expenditures over revenues, in a fund over an accounting period.
Department	An organizational unit responsible for carrying out a major governmental function, such as Police or Public Works.
Depreciation	The decrease in value of physical assets due to use and the passage of time.
Division	An organizational sub-unit of a department, with responsibility for carrying out a more specific function or program. Examples include the Facilities Maintenance Division and Landscaping/ Irrigation Divisions of the Public Works Department.
Encumbrance	Obligations incurred in the form of orders, contracts, and similar items that will become payable when goods are delivered or services provided.
Enterprise Fund	A self-supporting fund designed to account for activities supported by user charges.
Expenditure / Expense	The disbursement of appropriated funds to purchase goods and services, as well as costs for the use or time-related declining value (depreciation) of assets. Categories of expenses included in the operating budget are: personal services, operating expenditures, debt service, other current charges and capital outlay.
Fiduciary Fund	A fund used to report assets held in trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. This category includes pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.
Fiscal Year	The period of 12 consecutive months designated as the budget year. The Town's fiscal year runs from October 1 through September 30.
Fund	A fiscal and accounting entity which is comprised of a self balancing set of accounts which reflect all assets, liabilities, equity, revenue, and expenses necessary to disclose financial position and the results of operations.
Fund Balance	The difference between assets and liabilities reported in a governmental fund. It is also referred to as fund equity.
General Fund	The fund used to account for both general government activities and those activities not required to be accounted for in another fund.
General Obligation Bond (GO)	A method of financing for capital improvement projects that are specifically authorized by the electorate and for which the full faith and credit of the issuing government is pledged. The bonds are repaid using the Town's taxing power.
Grant	A contractual relationship under which a governmental agency or non-governmental organization provides funding to the Town of Davie in support of a specific function, program, or project.
Homestead Exemption	Pursuant to the Florida State Constitution, the first \$25,000 of the assessed value of a home which the owner occupies is exempt from the property tax. An additional \$25,000 exemption is applied to taxable values between \$50,000 and \$75,000 to further reduce the net taxable value of owner-occupied properties.
HTE	The Town's primary data application vendor from 1991 to 2010, also known as Sungard.
Inflation	A rise in price levels caused by an increase in available funds beyond the proportion of available goods.
Infrastructure	The equipment, facilities, roads, sidewalks, drainage, lighting, and other fixed assets necessary to provide services and which have value to the municipality.

Interest income	Revenue associated with the cash management activities of investing fund balances.
Intergovernmental Revenues	Revenues received from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.
Internal Service Fund	A fund established to account for an entity which provides goods and services to other Town entities and charges those entities for the goods and services provided.
Judgments, Fines & Forfeits	Revenue category including fines and penalties imposed for the commission of unlawful actions and revenues resulting from the confiscation of and sale of seized property.
Key Performance Indicator (KPI)	A collection of information to measure the efficiency, quality and effectiveness of government programs and services and to measure progress made toward achieving the organization's stated mission, goals and objectives.
Local Area Network (LAN)	Multiple computers connected by a communications system which enables them to share data.
Local Option Taxes	Revenue category for local taxes on fuel and alcoholic beverages, and on insurance premiums to assist with firefighters' and police officers' pensions.
Long-Term Debt	Debt with a maturity of more than one year after the date of issuance.
Mill	A taxation unit equal to one dollar of tax obligation for every \$1,000 of taxable assessed value of property.
Millage Rate	The ad valorem tax rate expressed in terms of the levy per thousand dollars of taxable assessed value.
Miscellaneous Revenue	Revenue category including items such as interest, gain or loss on investments, rents and royalties, sale of fixed assets, contributions/donations from private sources, and settlements.
Modified Accrual Basis of Accounting	A method of accounting under which revenues are recognized when they are both measurable and available. Revenues are considered measurable if the amount of the transaction can be reasonably determined. Expenditures are recognized when the liability is incurred except for interest on long-term debt which is recognized when due. Governmental funds and trust funds are accounted for using the modified accrual basis of accounting.
New World Systems	The Town's primary data application vendor for accounting, human resources, payroll, utility billing, and community development.
Non-Departmental	Functions and accounts which are not directly related to any department's primary service activities.
Non Operating Expense	Expenses chargeable to a program which are not personnel costs or purchases of services, supplies or materials.
Non-Spendable Fund Balance	Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale.
Objective	A clear statement of what a program is intended to accomplish in the short-term, given set resources.
Operating Expenses	The costs of government services which are directly attributable to a specific Town program or operation. These represent non-personal services expenses such as supplies/materials, utilities, maintenance, training, transportation, fuel, printing, etc.

Operating Budget	An annual budget for general revenues and expenditures such as personnel, supplies, utilities, maintenance, other operating expenses and capital outlay.
Other Sources	Revenue category including inter-fund transfers in, contributions from enterprise operations, and the use of reserves/fund balance.
Ordinance	A formal, legislative enactment by the Town Council that carries the full force and effect of the law within the corporate boundaries of the Town unless it conflicts with any higher form of law, such as state or federal.
Other General Taxes	Revenue category including communication services taxes and local business taxes (formerly occupational license tax).
Performance Measures	Specific quantitative and qualitative measures of work performed.
Personnel (or Personal) Services	Employer paid costs for employee salaries, wages and benefits, including items such as overtime, clothing allowances, retirement contributions, workers' compensation, federal taxes, and insurance for employees.
Permits, Fees & Special Assessments	Revenue category including user fees, building and other permit fees, inspection fees, franchise fees, impact fees, and special assessments.
Principal	In reference to repayment of debt obligations, principal is the portion applied to the original debt. The remaining portion of the payment is applied to interest accrued on the outstanding debt and applicable services charges.
Program	Group activities, operations or organizational units directed to attain specific objectives and budgeted as a sub-unit of a department, or in place of a division sub-unit.
Refunding	Retiring an outstanding bond issue at maturity or in advance by using money from the sale of a new bond offering. Advance Refunding is usually done because the new bond issuance can be done at a lower rate than the outstanding bond issue.
Reserves	A portion of the fund balance or retained earnings that may be segregated for a specific purpose.
Resolution	A legislative act by the Town Council with less legal formality than an ordinance.
Retained Earnings	An account which reflects accumulated net earnings (or losses) of a proprietary or similar fund. As in the case of fund balance, retained earnings may include certain reservations of fund equity.
Restricted Fund Balance	Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
Revenue	Money that the government receives as income. It includes taxes, service, permit or user fees, receipts from other governments, fines, forfeitures, grants, shared revenues, interest income, etc. Revenue is used to fund expenditures in a fiscal year.
Revenue Bonds	A municipal bond whose principal and interest are guaranteed by revenues generated by a specified revenue source or project and not the government's taxing authority.
Right-of-Way (ROW)	Strip of land over or within which facilities such as roads, sidewalks or utility lines are built.

Rolled Back Rate	The millage rate that will provide the same ad valorem tax revenue as was levied during the prior year, exclusive of new construction, additions to structures, deletions, and property added (i.e. annexations).
Save Our Homes (SOH)	State laws that limit any increase to the assessed value of a homesteaded property. Increases are limited to the lesser of 3% or the Consumer Price Index for All Urban Consumers, U.S. City Average.
State Housing Initiative Partnership (SHIP)	A State of Florida grant which provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing.
Special Assessment	A non-ad valorem, 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, as in an assessment for the provision of solid waste service and fire service.
Special Revenue Fund	A fund used to account for the proceeds of revenues that are legally restricted to expenditures for a specific purpose.
Tax Increment Financing (TIF)	A funding source used for redevelopment in blighted areas designated by the Town. Public improvements and other projects are financed with the incremental taxes generated by the increase in the assessed value of the properties in the designated area.
Taxable Value	The assessed value of property, less homestead and any other exemptions.
Transfers	Amounts transferred from one fund, department, division/program or line item to another to assist in financing the service of the recipient fund, department, division/program or line item.
Trust and Agency Funds	Funds used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.
Truth in Millage (TRIM)	A 1980 Florida law that formalized the property tax levying process for all taxing agencies and which requires a specific method of tax rate calculation, form of notice, public hearing requirements, and budget advertisements. The intent of the law is to inform property owners of the budget and taxing intentions of the various taxing authorities, including any proposed changes in their tax rate, property taxes, the assessed value of their property, and how the proposed tax rate compares to the rate that would generate the same property tax dollars as the current year (the "rolled-back rate").
Unassigned Fund Balance	The residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If a governmental fund, other than the General Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Only positive unassigned amounts will be reported in the General Fund.
Undesignated	Without a specified purpose.
Unencumbered	The portion of a budget not yet expended or encumbered.
User Fee	Charge to an individual or group for the use of or participation in a particular municipal service and not the community at large.
Utility Service Tax	Taxes levied on consumer consumption of electric, natural gas and fuel oil utility services. The tax is levied as a percentage of gross receipts.
Year to Date	A financial period starting from the beginning of the fiscal year to a given date in the year, usually the present day. In this document, the date is September 30, 2014.