

Budgeting 101

What is the Village Budget? It is a planned, itemized summary of anticipated money (revenues) coming into the Village and how that money will be spent (expended).

What is involved in the budgeting process? Each year, beginning around July, Village staff begins preparing its budget for the next fiscal year. Budgeting decisions are first formulated by staff and then presented to the Village Council and the public for their input over the course of several public workshops during the summer. The purpose of these workshops is to receive Council and public input on the proposed budget.

In September, the Village Council will hold two (2) public hearings to finalize the budget and receive any last-minute public or Council input. Both hearings will be held at Village hall in the Council Chambers; 15516 SW Osceola St, Suite B, Indiantown, FL 34956.

What do they mean when they say, “Balanced Budget”? Under Florida Law, the estimated revenues that come in must match the estimated expenditures going out. This is called a balanced budget.

What is a Fiscal Year? A fiscal year is different than a calendar year in that it runs from October 1 to September 30. A fiscal year is the standard for most cities (municipalities) in Florida.

Where does the revenue come from? The revenue comes from multiple sources; including property taxes, intergovernmental revenues (e.g. state-revenue sharing of sales and gas taxes), utility taxes (e.g. electric and water) and franchise fees (e.g. solid waste pickup), various permits and fees (e.g. building permits), fines and forfeitures (e.g. code compliance fines), charges for services (e.g. records request fees), grants and aids, miscellaneous revenue (e.g. bank interest), and unspent funds from the previous year.

How is the money expended? There are two main parts of a budget when looking at the expenditure side: operating costs and capital costs.

- **Operating Costs** fund the day to day activities of the village, similar to when you pay the light bill to keep the lights on. These costs include such items as salaries and wages, supplies, maintenance of your parks and roads, contractual services, insurances, debt payments (if any), and funding reserves for emergencies or unexpected events.

· **Capital Costs** pay for all new buildings, utilities/infrastructure projects and major equipment purchases, or the maintenance and repair of those items listed above (e.g. new Village Hall, vehicles and storm water system enhancements). Capital costs are like your major outlays at home; such as your house, vehicle, and any renovations.