



SEMINOLE COUNTY
FLORIDA'S NATURAL CHOICE

Budget Worksession #2

Supplemental Information



Fiscal Year 2021/2022

**Picnic Pavilion at the
Geneva Wilderness Area**

FY 2021/22 BUDGET WORKSESSION #2

TUESDAY, MAY 18, 2021

BCC CHAMBERS 9:30 AM - 5:00 PM

AGENDA

9:30 OPENING COMMENTS
SHERIFF'S OFFICE

- * FY22 BUDGET OVERVIEW
- * FUND FORECASTS
- * RESERVES

**These presentations may be moved to the afternoon, pending time constraints*

12:00 LUNCH

1:30 ENVIRONMENTAL SERVICES

- REVENUE SUFFICIENCY ANALYSIS
- WATER, WASTEWATER, & SOLID WASTE

2:30 IMPACT FEES

WORKSESSION #3 - TUESDAY, JUNE 15, 2021

CONSTITUTIONAL OFFICERS

LYNX

OTHER OUTSIDE AGENCIES

WORKSESSION #4 - TUESDAY, JUNE 29, 2021

BCC DEPARTMENTS

CAPITAL PROGRAMS

MILLAGE COMPARISON

SURROUNDING AGENCIES

	SEMINOLE	VOLUSIA	ORANGE	LAKE	OSCEOLA
GENERAL	4.8751	5.4500	4.4347	5.0327	6.7000
FIRE	2.7649	3.8412	4.0480	0.4704	1.0682
ROADS DISTRICT*	0.1107	0.0000	0.0000	0.0000	0.0000
SCHOOL BOARD	5.9340	5.9070	6.8570	6.6990	6.0260
WATER MGMT DISTRICTS*	0.2287	0.2287	0.2506	0.2478	0.2675
LIBRARY	0.0000	0.5174	0.3748	0.0000	0.3000
DEBT SERVICE	0.0000	0.0783	0.0000	0.1100	0.1095
MOSQUITO CONTROL	0.0000	0.1781	0.0000	0.0000	0.0000
PORT/WATER AUTHORITY	0.0000	0.0880	0.0000	0.3557	0.0000
STORMWATER	0.0000	0.0000	0.0000	0.4957	0.0000
ENVIRONMENTAL LANDS	0.0000	0.0000	0.0000	0.0000	0.0652
RECREATION DISTRICTS *	0.0000	0.0000	0.0000	0.0000	0.0000
LAW ENFORCEMENT	0.0000	0.0000	0.0000	0.0000	0.0000
OTHER*	0.0000	2.2135	0.9178	1.4629	0.0000
TOTAL MILLAGE	13.9134	18.5022	16.8829	14.8742	14.5364
				AVERAGE OF OTHER AGENCIES	16.1989

* AVERAGE OF MULTIPLE DISTRICTS

HALF CENT SALES TAX

MONTH	FY19	FY20	FY21
OCTOBER	2,160,187	2,256,008	2,134,549
NOVEMBER	2,164,117	2,195,247	2,125,270
DECEMBER	2,459,858	2,491,797	2,464,514
JANUARY	2,012,970	2,107,140	2,164,096
FEBRUARY	2,059,101	2,097,029	
MARCH	2,343,514	1,937,137	
APRIL	2,153,328	1,606,015	
MAY	2,327,206	1,975,871	
JUNE	2,208,825	2,130,562	
JULY	2,138,515	2,114,251	
AUGUST	2,113,681	1,955,550	
SEPTEMBER	2,120,271	2,190,681	
Grand Total	26,261,574	25,057,287	8,888,429

FY21 YEAR OVER YEAR TREND

FY19	8,797,132	1.0%
FY20	9,050,192	-1.8%
FY21 BUDGET	23,800,000	
FY21 FORECAST	26,484,117	
FY22 FORECAST	26,400,000	

UTILITY TAX			
MONTH	FY19	FY20	FY21
OCTOBER	707,825	683,353	724,242
NOVEMBER	588,253	609,037	662,737
DECEMBER	535,111	541,015	587,430
JANUARY	543,337	538,940	590,119
FEBRUARY	536,517	492,355	584,066
MARCH	418,789	543,505	546,557
APRIL	581,358	628,550	
MAY	599,876	640,975	
JUNE	711,529	732,090	
JULY	762,363	717,072	
AUGUST	723,815	797,042	
SEPTEMBER	748,704	858,840	
Grand Total	7,457,478	7,782,774	3,695,151

FY21 YEAR OVER YEAR TREND		
FY19	3,329,833	11.0%
FY20	3,408,204	8.4%
FY21 BUDGET	7,175,300	
FY21 FORECAST	8,275,641	
FY22 FORECAST	8,160,300	

COMMUNICATIONS SERVICE TAX

MONTH	FY19	FY20	FY21
OCTOBER	513,813	460,579	526,228
NOVEMBER	488,059	433,136	436,539
DECEMBER	499,310	443,712	463,416
JANUARY	480,250	482,480	450,679
FEBRUARY	469,790	537,214	432,399
MARCH	473,651	507,527	
APRIL	369,760	476,106	
MAY	483,991	473,091	
JUNE	476,730	486,010	
JULY	449,655	483,825	
AUGUST	482,569	439,415	
SEPTEMBER	453,760	437,822	
Grand Total	5,641,340	5,660,917	2,309,261

FY21 YEAR OVER YEAR TREND

FY19	2,451,223	-5.8%
FY20	2,357,121	-2.0%
FY21 BUDGET	5,200,000	
FY21 FORECAST	5,314,622	
FY22 FORECAST	5,200,000	

GAS TAXES			
MONTH	FY19	FY20	FY21
OCTOBER	1,174,575	1,272,512	1,163,394
NOVEMBER	1,496,860	1,339,729	1,182,149
DECEMBER	1,312,435	1,344,181	1,145,594
JANUARY	1,308,926	1,193,422	1,106,452
FEBRUARY	1,252,233	1,214,985	297,729
MARCH	1,404,824	1,279,632	
APRIL	1,387,548	985,816	
MAY	1,397,890	900,076	
JUNE	1,344,762	1,151,752	
JULY	1,328,916	1,128,463	
AUGUST	1,379,308	1,133,273	
SEPTEMBER	1,305,019	1,164,397	
Grand Total	16,093,296	14,108,238	4,597,590

FY21 YEAR OVER YEAR TREND		
FY19	5,292,795	-13.1%
FY20	5,149,844	-10.7%
FY21 BUDGET	14,600,000	
FY21 FORECAST	14,479,451	
FY22 FORECAST	14,500,000	

TOURISM TAXES			
MONTH	FY19	FY20	FY21
OCTOBER	434,438	426,810	274,906
NOVEMBER	436,991	550,273	244,092
DECEMBER	476,548	482,643	201,297
JANUARY	555,919	548,293	320,404
FEBRUARY	569,126	585,371	338,387
MARCH	654,014	324,781	
APRIL	520,483	197,530	
MAY	462,655	145,826	
JUNE	474,337	232,610	
JULY	483,878	257,661	
AUGUST	401,322	230,144	
SEPTEMBER	373,474	231,559	
Grand Total	5,843,184	4,213,500	1,379,085

FY21 YEAR OVER YEAR TREND		
FY19	2,473,022	-44.2%
FY20	2,593,390	-46.8%
FY21 BUDGET	3,350,000	
FY21 FORECAST	3,639,470	
FY22 FORECAST	4,000,000	

GENERAL FUND FORECAST - FULL REQUEST

#	FY20 ACTUALS	FY21 JDE ADOPTED	FY21 PROJECTED	FY22 FORECAST	FY23 FORECAST	FY24 FORECAST	FY25 FORECAST	FY26 FORECAST
3	CARES					5 POINTS DEBT SVCS		SUNRAIL
5	PROPERTY VALUE GROWTH	8.1%	6.5%	6.5%	5.0%	5.5%	5.5%	3.0%
10							3.0%	3.0%
11	REVENUE SCENARIOS							
18	TT LOGT - ADDITIONAL 5C (\$1.1 PER C)				5,400,000	5,400,000	5,400,000	5,400,000
19	UTILITY TAX +6% (from 4% to 10% - \$2 PER %)		12,000,000	12,090,450	12,332,259	12,578,904	12,830,482	13,087,092
22	REVENUES							
57	AD VALOREM	167,442,584	178,664,000	178,664,000	186,835,070	197,104,124	207,937,976	214,172,365
58	HALF CENT SALES TAX	25,057,287	23,800,000	26,000,000	26,400,000	27,192,000	27,735,840	28,290,557
59	STATE SHARED REVENUES	10,204,000	9,500,000	10,000,000	10,400,000	10,608,000	10,820,160	11,036,563
60	UTILITY TAX	7,782,774	7,175,300	8,000,000	8,060,300	8,221,506	8,385,936	8,553,655
61	COMMUNICATION SERVICE TAX	5,660,917	5,200,000	5,300,000	5,200,000	5,200,000	5,200,000	5,200,000
92	TOTAL REVENUES*	240,637,835	240,598,506	244,577,522	251,874,325	263,438,958	275,328,957	282,639,259
93	CHANGE IN TOTAL REVENUES				11,275,819	11,564,633	11,889,999	7,310,302
96								7,517,481
97	EXPENDITURES							
137	BASE BUDGETS Total	174,102,612	218,096,387	210,205,166	232,220,540	240,604,478	249,301,875	258,324,718
140	OTHER NON BASE	3,904,095	3,603,250	8,069,750	2,617,391	1,600,000	1,600,000	1,600,000
141	TECHNOLOGY	291,002	250,000	2,993,966	2,044,940	250,000	250,000	250,000
142	FACILITIES PROJECTS	79,996	5,000	720,670	605,900	250,000	250,000	250,000
161	FACILITIES TRANSFER	2,071,908	927,629	1,038,581	3,895,834	1,000,000	1,000,000	1,000,000
162	FLEET REPLACEMENT TRANSFER	816,179	1,382,084	1,382,084	1,860,872	1,400,000	1,400,000	500,000
164	LYNX TRANSFER	6,810,822	6,686,362	6,610,807	8,000,000	8,160,000	8,323,200	8,489,664
165	TRANSPORTATION TRUST TRANSFER	-	3,000,000	3,000,000	5,747,071	5,747,071	5,747,071	3,747,071
174								
178	5 POINTS PHASE 1 DEBT SVCS					2,451,108	4,201,900	4,201,900
179	SUNRAIL TRANSFER							-
180	ATTAINABLE HOUSING					2,000,000	2,000,000	2,000,000
180	POSITION REDUCTIONS (24 NEW FTE, \$1.6M)					-	-	-
180	OTHER REDUCTIONS					-	-	-
197								
198	TOTAL EXPENDITURES*	238,325,940	244,586,630	257,719,525	267,168,813	274,010,189	284,741,768	291,155,336
199	CHANGE IN TOTAL EXPENDITURES				22,582,183	6,841,376	10,731,579	6,413,569
201								19,771,309
202	STRUCTURAL BALANCE (BUDGETED)		(3,988,124)		(15,294,488)	(10,571,231)	(9,412,811)	(8,516,078)
204								(20,769,905)
207	RESERVES	46,152,435	45,311,876	57,718,854	40,805,512	32,400,012	25,212,415	18,982,757
208	RESERVE %	19.2%	18.8%	23.6%	16.2%	12.3%	9.2%	6.7%
208								0.2%

*SMALLER REVENUES & EXPENDITURES MAY NOT BE SHOWN ON THE REPORT, BUT THE TOTAL FIGURES ARE ALL INCLUSIVE

GENERAL FUND FORECAST - \$8.2M REDUCTIONS

#	FY20 ACTUALS	FY21 JDE ADOPTED	FY21 PROJECTED	FY22 FORECAST	FY23 FORECAST	FY24 FORECAST	FY25 FORECAST	FY26 FORECAST
3	CARES					5 POINTS DEBT SVCS		SUNRAIL
5	PROPERTY VALUE GROWTH	8.1%	6.5%	6.5%	5.0%	5.5%	5.5%	3.0%
10								
11	REVENUE SCENARIOS							
18	TT LOGT - ADDITIONAL 5C (\$1.1 PER C)				5,400,000	5,400,000	5,400,000	5,400,000
19	UTILITY TAX +6% (from 4% to 10% - \$2 PER %)		12,000,000	12,090,450	12,332,259	12,578,904	12,830,482	13,087,092
22								
44	REVENUES							
57	AD VALOREM	167,442,584	178,664,000	178,664,000	186,835,070	197,104,124	207,937,976	214,172,365
58	HALF CENT SALES TAX	25,057,287	23,800,000	26,000,000	26,400,000	27,192,000	27,735,840	28,290,557
59	STATE SHARED REVENUES	10,204,000	9,500,000	10,000,000	10,400,000	10,608,000	10,820,160	11,036,563
60	UTILITY TAX	7,782,774	7,175,300	8,000,000	8,060,300	8,221,506	8,385,936	8,553,655
61	COMMUNICATION SERVICE TAX	5,660,917	5,200,000	5,300,000	5,200,000	5,200,000	5,200,000	5,200,000
92	TOTAL REVENUES*	240,637,835	240,598,506	244,577,522	251,874,325	263,438,958	275,328,957	282,639,259
93	CHANGE IN TOTAL REVENUES				11,275,819	11,564,633	11,889,999	7,310,302
96								
97	EXPENDITURES							
137	BASE BUDGETS Total	174,102,612	218,096,387	210,205,166	232,220,540	240,604,478	249,301,875	258,324,718
140	OTHER NON BASE	3,904,095	3,603,250	8,069,750	2,617,391	1,600,000	1,600,000	1,600,000
141	TECHNOLOGY	291,002	250,000	2,993,966	2,044,940	250,000	250,000	250,000
142	FACILITIES PROJECTS	79,996	5,000	720,670	605,900	250,000	250,000	250,000
161	FACILITIES TRANSFER	2,071,908	927,629	1,038,581	3,895,834	1,000,000	1,000,000	1,000,000
162	FLEET REPLACEMENT TRANSFER	816,179	1,382,084	1,382,084	1,860,872	1,400,000	1,400,000	500,000
164	LYNX TRANSFER	6,810,822	6,686,362	6,610,807	8,000,000	8,160,000	8,323,200	8,489,664
165	TRANSPORTATION TRUST TRANSFER	-	3,000,000	3,000,000	5,747,071	5,747,071	5,747,071	3,747,071
174								
178	5 POINTS PHASE 1 DEBT SVCS					2,451,108	4,201,900	4,201,900
179	SUNRAIL TRANSFER						-	12,000,000
180	ATTAINABLE HOUSING					2,000,000	2,000,000	2,000,000
180	POSITION REDUCTIONS (24 NEW FTE, \$1.6M)				(200,000)	(206,000)	(212,180)	(218,545)
180	OTHER REDUCTIONS				(8,000,000)			(225,102)
197								
198	TOTAL EXPENDITURES*	238,325,940	244,586,630	257,719,525	258,968,813	273,804,189	284,529,588	290,936,791
199	CHANGE IN TOTAL EXPENDITURES				14,382,183	14,835,376	10,725,399	6,407,203
201								
202	STRUCTURAL BALANCE (BUDGETED)		(3,988,124)		(7,094,488)	(10,365,231)	(9,200,631)	(8,297,532)
204								
207	RESERVES	46,152,435	45,311,876	57,718,854	49,005,512	40,806,012	33,830,595	27,819,482
208	RESERVE %	19.2%	18.8%	23.6%	19.5%	15.5%	12.3%	9.8%
208								
229	*SMALLER REVENUES & EXPENDITURES MAY NOT BE SHOWN ON THE REPORT, BUT THE TOTAL FIGURES ARE ALL INCLUSIVE							

FIRE FUND FORECAST

#	FY20 ACTUALS	FY21 PROJECTED	FY22 FORECAST	FY23 FORECAST	FY24 FORECAST	FY25 FORECAST	FY26 FORECAST	FY27 FORECAST	FY28 FORECAST	
1	FS 11	FS 39	FS 25	FS 23	FS28			FS35		
4	PROPERTY VALUE GROWTH	7.6%	6.3%	5.0%	5.5%	5.5%	3.0%	3.0%	3.0%	
9										
37	REVENUES									
51	AD VALOREM	67,870,099	72,200,000	75,552,762	79,676,514	84,058,722	86,580,484	89,177,898	91,853,235	94,608,832
52	PUBLIC SAFETY FEES (TRANSPORT)	8,710,915	7,535,001	8,275,000	8,357,750	8,441,328	8,525,741	8,610,998	8,697,108	8,784,079
68	TOTAL REVENUES*	77,826,306	85,353,934	84,267,762	88,476,164	92,945,238	95,554,753	98,240,818	101,005,713	103,851,783
73										
74	EXPENDITURES									
105	BASE BUDGETS Total	64,566,071	69,635,101	70,680,481	75,735,833	81,103,149	86,767,115	94,633,991	103,033,153	111,996,514
106	CIP - FIRE STATIONS	2,549,878	16,319,572	2,473,300	6,063,750	3,699,929	1,526,816	-	9,552,101	-
107	FLEET	2,301,699	11,209,460	5,908,550	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
108	OTHER NON BASE (IMP FEE BALANCE)	560,963	6,076,235	1,374,197	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
109	TECHNOLOGY	359,850	271,692	467,550	250,000	250,000	250,000	250,000	250,000	250,000
110	FACILITIES PROJECTS	548,802	774,466	5,412,941	500,000	500,000	500,000	500,000	500,000	500,000
111	GRANTS	-	8,475	-	8,000	8,000	8,000	8,000	8,000	8,000
115										
120	TOTAL EXPENDITURES*	71,112,096	104,660,915	86,662,016	87,907,583	90,911,077	94,401,932	100,741,991	118,693,254	118,104,514
125										
127	RESERVES	18,733,366	18,122,612	17,783,469	20,436,826	23,215,812	25,166,442	23,519,322	6,764,093	(6,472,754)

FIRE FUND FORECAST

#	FY20 ACTUALS	FY21 PROJECTED	FY22 FORECAST	FY23 FORECAST	FY24 FORECAST	FY25 FORECAST	FY26 FORECAST	FY27 FORECAST	FY28 FORECAST
1	FS 11	FS 39	FS 25	FS 23	FS28			FS35	
143	NEW FIRE STATIONS								
144	NEW FIRE STATIONS								
147	FS 11 - Relocation - Land								
148	FS 11 - Relocation - Construction	5,411,718							
150									
151	FS39 - (NEW) - LAND	211,751							
152	FS39 - (NEW) - LAND IMP FEES	258,249							
153	FS39 - (NEW) - DESIGN								
154	FS39 - (NEW) - CONSTRUCTION	6,805,462							
155	FS39 - (NEW) - ENGINE/RESCUE		1,080,000						
156	FS39 - (NEW) - TOWER		1,680,000						
157	FS39 - (NEW) - PPE		473,800						
158	FS39 - (NEW) - STAFFING			1,423,381	1,494,550	1,569,278	1,647,742	1,730,129	1,816,635
159	FS39 - (NEW) - TOWER STAFF			970,692	1,009,520	1,049,900	1,091,896	1,135,572	1,180,995
161									
162	FS25 - Relocation - LAND								
163	FS25 - Relocation - CONSTRUCTION		6,433,988						
165									
166	FS 23 Relocation - LAND								
167	FS 23 Relocation - CONSTRUCTION		1,500,000		6,063,750				
169									
170	FS28 - (NEW) - LAND								
171	FS28 - (NEW) - CONST IMP FEE		2,667,009						
172	FS28 - (NEW) - CONSTRUCTION				3,699,929				
173	FS28 - (NEW) - ENGINE/RESCUE					1,215,550			
174	FS28 - (NEW) - PPE					311,267			
175	FS28 - (NEW) - STAFFING						1,857,310	1,950,176	2,047,684
177									
178	FS 35 - Relocation - LAND								
179	FS 35 - Relocation - CONSTRUCTION							588,872	
181									
182	FS19- (NEW) - LAND								
183	FS19- (NEW) - CONSTRUCTION								
184	FS19- (NEW) - ENGINE/RESCUE								
185	FS19- (NEW) - PPE								
186	FS19- (NEW) - STAFFING								
187	-								
188	CAPITAL TOTAL			6,063,750	3,699,929	1,526,816	-	9,552,101	-
189	PERSONNEL TOTAL			2,394,073	2,504,070	2,619,178	4,596,948	4,815,877	5,045,315

TOURISM FUNDS FORECAST

#	FY20 ACTUALS	FY21 PROJECTED	FY22 FORECAST	FY23 FORECAST	FY24 FORECAST	FY25 FORECAST	FY26 FORECAST
1	SPORT CPX CARPET						
4	TOURISM TAX GROWTH	-27.9%	-13.6%	9.9%	10.0%	3.0%	3.0%
12	REVENUES						
25	TOURISM TAXES	4,213,500	3,639,000	4,000,000	4,400,000	4,532,000	4,667,960
26	INTEREST	90,149	40,000	12,000	12,240	12,485	12,734
36	TOTAL REVENUES*	4,306,279	3,681,500	4,014,500	4,414,790	4,547,086	4,823,694
39	EXPENDITURES						
67	BASE BUDGETS	2,841,114	2,551,575	2,895,811	2,956,524	3,018,774	3,148,048
68	PROJECTS	129,560	352,800	56,000	56,000	56,000	56,000
71	DEBT TRANSFERS	1,637,200	1,908,633	1,908,633	1,908,633	1,908,633	1,908,633
79	TOTAL EXPENDITURES*	4,668,521	4,813,008	4,860,444	4,921,157	4,983,407	5,047,234
82	STRUCTURAL BALANCE						
83			(845,944)	(506,367)	(436,321)	(363,886)	(288,987)
87	RESERVES						
87		3,949,196	4,149,646	3,431,281	3,011,788	2,664,163	2,390,840
87				2,194,331			

91 *SMALLER REVENUES & EXPENDITURES MAY NOT BE SHOWN ON THE REPORT

Seminole County Resource Management

Industry comparators for reserve analysis

County	Population (2020 Est)	Taxable Value (2020 Est)	County Government Operating Millage*	FY21 Countywide Adopted Budget	FY21 General Fund Adopted Budget	FY21 General Fund Ad Valorem Revenue	FY21 General Fund Reserves	Bond Rating	Reserve Policy
Lake	366,742	24,499,403,221	5.0327	\$503M	\$189M	\$126M	\$16.3M 10% of Operations	AA	7% - 12% of Operating Budget, increasing to 12-16% of Operating Budget to better prepare for natural disasters/emergency per FY21 budget message
Osceola	387,055	31,397,076,497	6.7652	\$1.6B	\$388M	\$211M	\$67M 22% of Operations	AA	minimum reserve of 20% of total Operating Budget (personal service and operating) plus transfers out. The max is 25% per fund
St. Johns	261,900	31,702,718,088	5.5141	\$1.1B	\$366M	\$137M	\$56M 19% of Revenue	AA+	no less than two months of operating expenditures including transfers
Seminole	476,727	38,030,704,096	4.8751	\$904M	\$290M	\$179M	\$45M 19% of Revenue	AA	Max 10% of total budget for contingencies and not to exceed 20% for cash carry forward
Volusia	551,588	39,823,502,127	5.4500	\$998M	\$311M	\$209M	\$43M 16% of Revenue	AA	Min 5% to Max 10% of budgeted current revenues for Emergency Reserves
Sarasota	438,816	65,456,738,472	3.2149	\$1.3B	\$323M	\$179M	\$87M 29% of Revenue	AA+	Minimum of 75 days of General Fund operating expenditures for contingency/emergency/disaster relief and 30 - 60 days of general fund operating expenditures for budget stabilization and economic uncertainty
Pinnellas	984,054	91,752,486,078	5.2755	\$2.7B	\$838M	\$461M	\$166M 24% of Revenue	N/A	5% - 10% for Contingency and a max of 20% of total appropriations for Reserve for Fund Balance (no less than 15% of total Revenue - Target)
Hillsborough	1,478,759	112,807,176,240	5.7309	\$7.1B	\$1.0B	\$542M	\$188M 22% of Operations	AAA	minimum of 20% and a max of 25% of general fund expenditure
Orange	1,415,260	155,914,881,471	4.4347	\$4.9B	\$1.1B	\$596M	\$78M 12% of Revenue	AA+	No less than 7% of projected operating revenues including reserves for cash , contingency and designated reserves.

*Note that some counties have separate Library, MSTU and Mosquito Control millages.

SEMINOLE COUNTY RESERVE HISTORY

FUND	FY17 ADOPTED	FY17 AMENDED	FY18 ADOPTED	FY18 AMENDED	FY19 ADOPTED	FY19 AMENDED	FY20 ADOPTED	FY20 AMENDED	FY21 ADOPTED	FY21 AMENDED
GENERAL FUNDS	51,758,938	52,434,959	52,450,629	53,393,540	59,287,061	50,016,019	46,907,209	47,554,703	46,524,283	56,797,860
TRANSPORTATION TRUST FUND	1,363,512	4,191,943	3,321,223	4,994,622	3,971,600	4,398,591	-	2,774,486	183,636	2,159,400
SALES TAX FUNDS	9,601,307	18,549,818	13,192,973	15,734,578	24,923,358	46,784,921	36,651,981	50,283,477	24,119,124	30,533,912
FIRE DISTRICT FUNDS	13,872,977	14,730,438	15,912,710	18,823,524	21,263,594	17,650,300	18,535,026	19,751,615	18,138,873	21,583,382
SPECIAL REVENUE FUNDS										
BUILDING FUND	2,764,229	2,757,550	2,962,102	3,074,242	1,664,129	3,446,381	3,070,116	4,552,015	4,072,904	4,656,930
TOURISM FUNDS	1,796,290	1,961,155	2,833,967	3,881,873	4,347,795	4,998,133	5,008,816	3,949,196	2,785,942	3,860,646
COURT RELATED FUNDS	363,113	588,088	182,557	336,022	140,551	238,954	35,854	393,476	40,000	71,406
LAW ENFORCEMENT FUNDS	-	2,010	-	2,228	2,228	2,341	2,367	2,393	-	2,427
SPECIAL REVENUE FUNDS	208,282	275,792	240,969	205,174	102,674	228,210	313,000	323,731	400,000	385,076
EMERGENCY 911 FUND	3,147,352	3,710,710	3,707,696	4,242,938	4,121,920	4,396,168	4,155,932	1,713,189	1,642,267	2,484,913
CRA FUNDS	9,476,153	8,704,292	11,620,429	-	-	-	-	-	600,000	692,766
MSBU FUNDS	5,711,616	6,294,034	6,870,977	5,284,019	5,563,725	5,535,733	4,905,980	5,589,813	5,984,986	5,904,135
CAPITAL FUNDS	1,268,621	1,885,242	477,017	1,406,972	1,356,063	1,626,152	1,579,286	1,746,964	1,651,916	1,286,030
ENTERPRISE FUNDS*	107,116,872	88,762,682	89,330,406	85,380,966	83,603,069	88,801,574	86,745,387	100,358,323	99,015,846	100,991,272
INTERNAL SERVICE FUNDS	15,477,498	16,273,701	16,207,427	16,481,305	17,266,385	17,059,386	17,791,876	17,797,634	21,013,184	19,240,889
Grand Total	223,926,760	221,122,414	219,311,082	213,242,003	227,614,152	245,182,864	225,702,830	256,791,015	226,172,961	250,651,044

*Enterprise Funds FY21 Amended Reserves includes \$55.6M for W&S, \$25.5M for Solid Waste, and \$22M for Landfill Escrow.

SECTION 22. BUDGET AND FISCAL MANAGEMENT**22.5 FINANCIAL POLICIES.**

A. PURPOSE. The Financial Policies were established to facilitate management actions on financial decisions, as well as to assist readers in understanding County finances. These policy statements apply to County funds in general. Federal, State and local laws, regulations and standards and specific financial policies may supersede these statements. The benefits derived from consolidated financial policies include:

- (1) The availability of a concise reference guide for consideration in decisions associated with County financial matters.
- (2) Re-direction of the financial focus to the over-all financial condition of the County rather than to a narrow focus on single issues.
- (3) Communication of a commitment to sound financial management and fiscal integrity, and strengthening credibility and confidence aspects for citizens, investors and rating agencies.
- (4) Demonstration of compliance with applicable Florida statutory requirements.

The Financial Policies are grouped into the following categories:

- Budget
- Revenue
- Expenditure
- Reserves
- Debt
- Capital Improvement
- Capitalization
- Intradepartmental Transfers
- Fund Balances

B. BUDGET.

(1) **Balanced Budget.** The County's annual budget shall be balanced; that is, total estimated receipts, including balances brought forward, shall equal total appropriations and reserves (Florida Statutes 129.01(2)(b)).

(2) **Budget Adoption.** The Board of County Commissioners shall adopt the County's annual budget at a fund level.

(3) **Estimates of Receipts.** Estimated receipts shall include 95% of all receipts reasonably anticipated from all sources, including taxes to be levied, and 100% of balance to be brought forward at the beginning of the fiscal year (Florida Statutes, 129.01(2)(b) and 200.065(2)(a)).



(4) Contingencies. A reserve for contingencies will be budgeted in operating and capital funds, amounts not to exceed 10% of the total budget, for reallocation by the Board of County Commissioners as needed to fund unforeseen needs during the budget year (Florida Statutes, 129.01(2)(c)(1)).

(5) Reserve for Cash Carry Forward. A reserve for cash forward will be budgeted in any fund which requires monies to be carried forward into the budget year to support operations until sufficient current revenues are received. This reserve will not exceed 20% of the budget (Florida Statutes, 129.01(2)(c)(2)).

(6) New Positions. Submission of partial year funding requests for new permanent full time positions is prohibited unless specifically authorized by the Board of County Commissioners as a special or emergency need.

(7) Emergency Budget.

(a) In order to be fiscally prepared for all emergencies (either economic, natural disaster, or act of war), a budgetary procedure shall be in place to deal with emergency situations.

(b) Upon adoption of the annual budget, all Directors, in cooperation with the Resource Management Department, shall develop a plan to decrease overall expenditures for that fiscal year by 5% not later than December 1.

(c) The Resource Management Department Director shall review items to be decreased for overall operational impact and legal authority.

(d) A summary report identifying emergency budget decreases shall be prepared by the Resource Management Department outlining items and financial savings and submitted to the County Manager by January 1.

(e) The County Manager shall monitor economic trends.

(f) The County Manager shall monitor the emergency situation and provide the Board of County Commissioners (BCC) daily, weekly, or monthly updates, depending on the type of emergency, in order to provide the BCC with timely financial information.

(g) The County Manager shall report emergency situations to the BCC as soon as possible and all Department Directors notified as soon thereafter as possible.

(h) If an emergency budget is needed, based on the type or level of emergency, the County Manager shall notify the BCC of the impending emergency and request authorization to implement an emergency budget.

(j) The BCC shall authorize a change from emergency budget status to adopted budget status.



C. REVENUE.

(1) General Revenue.

(a) Generally, the County reviews estimated revenue and fee schedules as part of the budget process. Estimated revenue is conservatively projected (at 95% of estimate) for five (5) years and is updated annually. Proposed rate increases are based upon the following:

- (i) Fee policies applicable to each fund or activity;
- (ii) The related cost of the service provided;
- (iii) The impact of inflation in the provision of services;
- (iv) Equity of comparable fees.

(b) The revenue policy of Seminole County includes these informal policies, along with requirements for maintaining a diversified and stable revenue system to shelter the County from short-run fluctuations in any one revenue source.

(2) Revenue Summaries. As part of the annual budget process, a consolidated summary of revenue sources will be prepared and incorporated into the County's budget documents.

(3) Ad Valorem Taxes. The use of ad valorem tax revenues will be generally limited to the following funds:

- (a) General
- (b) Transportation Trust
- (c) Fire
- (d) Environmentally Sensitive Lands
- (e) Debt Service
- (f) Trails Construction Debt Service
- (g) Stormwater Management

(4) Gas Taxes. The use of gas tax revenues will be generally limited to the following funds:

- (a) Transportation Trust
- (b) Mass Transit
- (c) Local Option Gas Tax Refunding Bond Series 1993 Debt Service
- (d) Road Bonds Series 1992 A Debt Service
- (e) Road Bonds Series 1992 B Debt Service

(5) Sales Taxes. The use of state shared sales tax revenues will be generally limited to the following uses:

- (a) General
- (b) Capital Improvements
- (c) Debt Service
- (d) Infrastructure Improvement

(6) Impact Fees.

(a) Seminole County shall require development activity to pay fair share fees for new capital equipment and facilities or expansion of existing equipment and facilities. Fees shall not exceed a pro rata share of the reasonably anticipated costs of such improvements.

(b) Impact fees have been implemented for roads, libraries, fire/rescue, and water & sewer.

(7) Utility/Telecommunications Taxes. Utility and telecommunications taxes are levied on purchases of utilities and telecommunications services. It provides additional revenue necessary to maintain adopted levels of service for unincorporated transportation facilities, Fire/Rescue, Stormwater, and Seminole Government Television.

(8) Tourist Development Tax. Use of tourist development tax revenues will be generally limited to the Tourism Development Fund and Tourist Development Tax Debt Service Fund.

(9) Grants. Only such grants as can reasonably be expected to be received will be considered as revenue sources for budget development purposes. The County shall amend its budget to reflect additional grants received during the budget year.

(10) Restricted Revenues – Bonds. Revenues which have been pledged to bondholders will be restricted and shall conform in every respect to bond covenants.

(11) Countywide Revenues. Revenues collected on a countywide basis will be allocated only to funds which provide Countywide services.

(12) User Fees. User fees, where appropriate, should be established to offset the cost of providing specific services, and will be reviewed annually.

(13) Private Contributions.

(a) The County provides many services to its residents that enhance the "quality of life" in our County.

(b) To the extent possible, efforts should be made to secure private contributions, whether in the form of volunteer services, equipment, or cash contributions. This is particularly important in helping defray the taxpayer burden of

providing programs and activities that may be considered primarily "quality of life" in nature, such as various community services, cultural and recreational activities.

D. EXPENDITURES

(1) Community Service Agencies.

(a) As part of its annual budget process, the County sets aside an amount of funding to be granted to various community agencies that provide valuable services to the County's residents.

(b) Because of increasing demands on the County's limited resources, the Board of County Commissioners determines a total maximum to be allocated. In the event that a grant recipient requests additional County funding, such a request will be considered independent of the allocation process.

(2) Grant Supported County Programs.

(a) Seminole County supports a variety of programs that depend on additional grants for partial funding. If reductions occur in such grant funding amounts, program service levels will be streamlined or reduced. Additional County support will not be provided to compensate for the reduction in outside funding.

(b) Full recovery of annual and sick leave for employees working under a grant shall be undertaken.

(3) Performance Measures.

(a) The County will develop "performance measures" for each of its departments in order to assure that maximum productivity is being achieved.

(b) Where performance measures demonstrate that activities could more cost-effectively be provided by outsiders, contracting out of such activities will be considered.

(c) Performance measures will also provide management with criteria to use in evaluating departmental requests for increased funding levels.

(4) Categorization of Services. The County will segregate its budget into two distinct categories in order to set priorities for allocating available money. Categories are as follows:

(a) Basic Services. Services that are best performed at the County level and are associated with protecting the health and safety of citizens. Legally mandated services or commitments are also included in this category. Budgetarily, funding represents maintaining current service levels.

(b) Service Enhancements. An improvement and/or enhancement to the programmatic service level.

E. RESERVES. A formally adopted reserve policy is an important factor in maintaining the fiscal health of Seminole County. There are three primary types of reserves:

- Fund Balances/Operating Reserves
- Capital Reserves
- Debt Reserves

The degree of need for these reserves differs based on type of fund or operation involved. However, one policy statement for each type of reserve can be uniformly applied to most funds (excluding enterprise funds, which are subject to various regulatory requirements). Board approval is required to move funds from reserve accounts into expenditure line items.

(1) **Fund Balances/Operating Reserves.** It is the County’s policy to establish and maintain target balance ranges for individual operating funds of the County to mitigate current or future financial risks, ensure stable tax rates and to facilitate responses to emergency situations. The County’s Fund Balance Policy is detailed separately in Section 22.5 J. hereof.

(2) **Capital Reserves.** Capital reserves are established primarily to set aside funds to provide for additional future projects, renewal and replacement of fixed assets or additions to existing budgeted projects, which may be deemed appropriate for funding after the annual budget is adopted. Certain capital reserve account balances are established by bond indenture in connection with bond financed enterprise operations and capital financing.

(3) **Debt Reserves.**

(a) Debt reserves are established to protect bondholders from payment defaults. Adequate debt reserves are essential in maintaining good bond ratings and the marketability of bonds.

(b) The amount of debt reserves and investment requirements are established by bond indenture in association with each bond issuance.

F. DEBT. A formal debt policy is an important factor to insure the most efficient methods of financing are utilized by the county resulting in the lowest total cost of borrowing. It is the County's policy to use competitive bidding, whenever possible, for all debt issued by the County. The complexity of the debt issuance process varies depending on the type of financing requiring the County to employ qualified consultants (bond counsel, financial advisors, independent accountants, etc.) to assist the County in obtaining the most cost effective financing. County staff and consultants should adhere to the following guidelines in structuring each debt issuance.

(1) **Method of Financing.** The County will use a "pay as you go" policy unless internal funding is not sufficient to meet capital needs or future citizens will realize a significant portion of the benefit of a project.

(2) **Financing Parameters (Guidelines).**

(a) Projects will not be financed for greater than the useful life of the improvement.

(b) Whenever economically feasible, the County will use revenue, special assessment or other self-supporting bonds instead of general obligation bonds.

(c) The County will use the competitive method of sale unless one or more of the following conditions exists:

(i) Unstable market conditions which require flexibility in pricing or precise timing which would not be expected through a competitive sale.

(ii) Concerns regarding credit quality and availability of credit enhancements.

(iii) Security for repayment is new, unproven or may be perceived as unreliable by the market.

(iv) Innovative or unusual structuring techniques are required.

(v) Changes or anticipated changes in laws or regulations would make prompt sale of bonds desirable.

(d) Credit enhancement will be utilized when necessary to lower total borrowing costs.

(e) The County will competitively bid investment of escrow funds for advance refundings if it is expected that bids will result in lower costs and the required securities are available in the market.

(3) Debt Issuance Plans. The County will include debt issuance plans in its long-term capital plan.

G. CAPITAL IMPROVEMENT.

(1) Five-Year Program.

(a) The County will develop a five-year Capital Improvements Program as part of each year's annual budget process, and will make all capital improvements in accordance with the adopted annual County budget.

(b) The County will identify the estimated costs and potential funding sources for each capital project before it is submitted to the Board of County Commissioners as a component of the five-year program.

(2) Operating Costs. Costs of operating and maintaining all proposed projects will be identified and incorporated in five-year financial projections.

(3) Capital Financing. The County Manager will determine and recommend to the Board of County Commissioners the least costly financing method for all capital projects.

(4) Renewal and Replacement.

(a) The County shall develop and implement a program for identifying, scheduling and budgeting renewal and replacement of capital facilities.

(b) These policy statements apply to County funds in general. Federal, State and local laws, regulations and standards and specific financial policies may supersede these statements.

H. CAPITALIZATION. The reporting model (Government Account Standards Board Statement No. 34 (GASB 34)) is for both capitalization and depreciation of the government's general assets such as buildings, equipment, roads, bridges and traffic systems, etc.

(1) Depreciation Reporting

(a) Record depreciation of capital assets valuing \$5,000.00 or more. This will exclude recorded depreciation of assets less than \$5,000.00 of value. Items currently not depreciated at all would still be budgeted and accounted for as capital items. All capital equipment will continue to be inventoried even if an item's purchase cost was less than \$5,000.00.

(b) Use the "Modified Approach" for certain infrastructure reporting subject to staff evaluation. This approach eliminates the need to record depreciation expenses for certain types of infrastructure such as roads. County must demonstrate that the infrastructures asset has been maintained at or above a condition level established by government. County must disclose estimates of the amount needed to maintain or preserve the asset at the level established as well as the actual expense. Users of the financial statements should assess the government's long-term commitment to maintaining infrastructure assets.

I. BUDGET EXECUTION AND AMENDMENT. The County budget process is complex, yet must be flexible enough to meet the changing needs of department operations to facilitate uninterrupted service delivery throughout the fiscal year. The purpose of this policy is to formalize the County's level of budgetary control, and to provide for the administrative realignment of funds to best accommodate unanticipated needs without negatively impacting service to the public. This policy provides budgetary guidelines, covering amendments to meet ongoing operational needs within the framework of applicable Florida Statutes and local requirements.

(1) Definitions.

(a) Budget Amendment - Modification of the originally adopted budget either through formal action of the Board or through delegated authority by the Board.

(b) Business Unit – A budgetary and financial system cost center internally established to monitor and track costs related to a specific program or service.



(c) Family of Projects – A group of child projects belonging to the same parent, where the child projects represent the established work program approved by the Board.

(d) Fund – 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, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund is maintained on both a budgetary and accounting basis. The fund level is used for Financial Statement Reporting purposes.

(e) Interfund Transfer – A transfer of financial resources from one fund to another fund as a form of subsidy, without a requirement for repayment. A non-exchange transaction that does not constitute revenue of the receiving fund or an expenditure of the paying fund.

(f) Internal Charges – An Object Classification established to provide for transfers required to facilitate proper accounting of direct and indirect internal service charges and fees across the agency.

(g) Intrafund Transfer – A transfer of financial resources between subfunds which are aggregated into a single reporting unit (fund) for financial reporting purposes.

(h) Intra-departmental – A transfer of financial appropriations between divisions/business units within the same fund or sub-fund under the same department.

(i) Object Classification - Identifies the article purchased or the service obtained, rather than the purpose for which the article or service was purchased or obtained. Established by the State of Florida, Department of Financial Services' Uniform Account System are the following Object Classifications:

- (i) Personal Services
- (ii) Operating Expenditures/Expenses
- (iii) Internal Charges
- (iv) Capital Outlay
- (v) Debt Service
- (vi) Grants and Aids
- (vii) Other Uses

(j) Operations – Departmental budget appropriations, excluding project appropriations.

(k) Project – A budgetary and financial system identifier assigned internally to monitor and track costs associated with capital outlay and operating projects.

(l) Project Contingency – Appropriation of funds to a project for the purpose of covering additional appropriation requirements for approved capital outlay projects within a specific capital fund/sub-fund. Expenditures may not be charged directly to the contingency.

(m) Subfund – Subdivision of a fund on a budgetary and accounting basis, used to segregate specific funding for managerial and compliance tracking purposes. Combined to main Fund for Financial Statement Reporting purposes.

(n) Sub-Object Classification – Subdivision in an expenditure object classification as established by the State of Florida, Department of Financial Services’ Uniform Account System (e.g., *professional services* is a sub-object classification within the *Operating Expenditures/Expenses* object classification).

(2) Level of Budgetary Control – The Board annually adopts the budget by resolution for all funds/subfunds of the County, exclusive of some Agency Funds. Budgetary authority is legally maintained at the fund level; however, managerial controls are maintained at each level of appropriation.

(a) System Control - Encumbrances/expenditures are checked against budget at two levels:

(i) Operations Level – Encumbrances/expenditures are subject to budgetary control by Object Classification at the business unit level, excluding budgetary amounts tied to specific projects.

(1) Amendment to the budget is only necessary when expenditures are anticipated to exceed the total budget for the Object Classification Level within a business unit. Individual sub-object account lines may run negative as long as the total Object Classification Level budget is sufficient to cover expenditures.

(2) The County Manager or designee may, as deemed necessary from time to time, designate through written directive a specific sub-object(s) to be temporarily restricted.

(ii) Project Level - Encumbrances/expenditures are subject to budgetary control at the Project Level for the cumulative project budget across object classifications within a business unit, unless otherwise provided.

(1) Amendment to the budget is only necessary when expenditures are anticipated to exceed the total budget for the project within a business unit. Individual Project/sub-objects may run negative as long as the total project budget is sufficient to cover expenditures.

(2) When a “Family of Projects” is identified the combined total of the family is considered the Project Level. Consequently, individual

(child) project budgets are combined for purposes of assessing budget control. Individual projects within the same Family may run negative as long as the total Family budget is sufficient to cover expenditures for all projects within the Family.

(b) Year-End Encumbrances – As the County intends to honor all outstanding commitments related to projects that cross fiscal years, the balance of encumbrances related to projects will be reappropriated in the subsequent year’s budget ensuring resources are available to honor these commitments.

(3) Approval Authority for Budget Amendment

(a) Board - Formal action of the Board is required to amend the original budget for recognition of the following:

(i) Unanticipated excess or deficiency in the amount of originally anticipated revenue.

(ii) Unanticipated revenue from an unanticipated source received for a particular purpose.

(iii) Increased receipts for proprietary funds received for a particular purpose.

(iv) Allocation from fund reserves to increase funding for an existing need or to create an appropriation for an additional need.

(v) Substitutions or purchases of capital equipment not anticipated within the adopted budget.

(vi) Additions of permanent staffing positions.

(vii) Modification of intrafund or interfund transfers.

(viii) Transfer of appropriations that substantially alter or amend a Department’s or Division’s Board approved work plan.

(ix) Transfer of appropriations for expenditure from one department to another.

(x) All other amendments to the budget not specifically addressed in this policy.

(b) County Manager – The Board empowers the County Manager or designee, as designated Budget Officer, to authorize intra-departmental budget amendments for the following:

(i) Transfers of non-project appropriations within a fund or subfund and within a department or division that do not alter or amend a Department’s or Division’s Board approved work plan.

(ii) Transfers of appropriations among subfunds/business units and object classifications established to facilitate compliance with a specific grant funding agreement.

(iii) Transfers among sub-objects within a project within a fund or subfund or among a Family of Projects, when deemed necessary as a management tool.

(iv) Transfers from Project Contingency to provide additional funds required for a deficient capital outlay project.

(v) Transfers to Project Contingency from a capital outlay project upon completion of the unexpended budget.

(vi) Transfers required for the sole purpose of proper accounting treatment of the item, which do not modify the original budgetary intent.

(4) Execution

(a) It is the responsibility of the Resource Management Department, under the direction of the County Manager, to interpret and implement this policy.

(b) Reporting will be made to the Board on a regular basis of all budget amendments approved under the administrative authority granted and of budgetary performance and status throughout the fiscal year.

(c) Department Directors are responsible for monitoring their operating and capital outlay budgets to ensure proper fiscal management within appropriated resources.

(d) The County Manager may require any item within the administrative authority granted to obtain specific approval from the Board.

J. FUND BALANCES.

To establish a target unreserved/undesignated fund balance level for individual operating funds of the County. This policy is intended to assist the County in maintaining an adequate level of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures), to ensure stable tax rates, and to respond to emergency situations. Adequate reserve levels are a necessary component of the County's overall financial management strategy; as well as a key factor in external agencies' measurement of the County's financial strength.

(1) Definitions.

(a) Fund Balance - fund balance means the difference between fund assets and fund liabilities. Fund balance is also referred to as net assets.

(b) Reserved Fund Balance - reserved fund balance is the portion of fund balance that is legally restricted and is not available for appropriation or expenditure.

(c) Unreserved Fund Balance - unreserved fund balance represents expendable available financial resources.

(d) Designated Fund Balance - designated fund balance is that portion of unreserved fund balance that reflects the County's self-imposed limitations on the use of otherwise available expendable financial resources.

(e) Undesignated Fund Balance - undesignated fund balance is that portion of unreserved fund balance that represents available financial resources which have not been obligated to a specific purpose.

(2) Unreserved/undesignated Fund Balance Level

(a) Unreserved/undesignated fund balance ranges are established for individual County funds whose operating expenditures are for tax-supported services. The range set for each fund is based on the predictability of revenues, volatility of expenditures, and liquidity requirements. Established levels should be reviewed on an annual basis to ensure sufficiency.

(b) In calculating the ratio of the unreserved/undesignated fund balance to estimated operating revenues, the fund balance from the latest audited financial statements shall be compared with the budgetary operating expenditures for that fund in effect when the financial statements are released. In essence this will mean the current year budgeted operating revenues will be compared with the prior year's unreserved/undesignated fund balance.

(1) General Fund - the unreserved/undesignated fund balance level for the General Fund (inclusive of all budgetary sub-funds) shall be maintained in the range of 5% to 10% of general fund operating revenues.

(2) Transportation Trust - the unreserved/undesignated fund balance level for the Transportation Trust Fund shall be maintained in the range of 5% to 10% of operating revenues; unless when combined with the County's General Fund, the combined unreserved/undesignated fund balance is not less than 5% of the combined operating revenues.

(3) Fire Protection - the unreserved/undesignated fund balance level for the Fire Protection Fund shall be maintained in the range of 5% to 10% of operating revenues.

(3) Surplus.

(a) If a surplus (an amount in excess of the established minimum level) is determined, it can be designated or appropriated during the next budget amendment for the following purposes:

(1) To fund unforeseen expenditure requirements or offset unanticipated revenue fluctuations.

(2) Reduction or Avoidance of Debt - if financial analysis demonstrates an advantage for the County, the surplus may be applied to reduce or eliminate short-term debt or reduce the principal amount the County needs to obtain from a scheduled borrowing.

(3) Tax, Fee, or Rate Stabilization - surplus funds may be designated for stabilization in order to avoid raising taxes, fees, or rates related to the fund in subsequent years.

(4) Applied to a Capital Replacement Program - surplus funds may be used to supplement or enhance a capital replacement program such as vehicle, personal computer, or heavy equipment replacement, or any other capital renewal and replacement program initiated by the County.

(5) One-time Capital Needs - since a surplus does not represent a recurring source of revenue it should not be seen as a source to fund recurring expenses; however, if a one-time capital expenditure has been identified, the surplus may be appropriated for this use. The operating impacts associated with the capital expenditure, if any, shall be evaluated simultaneously with the approval of the capital appropriation.

(4) Shortfall

(a) If a shortfall (an amount below the established minimum level) is determined, the unreserved/undesignated fund balance is to be rebuilt through the following mechanism.

(1) An appropriation during the next annual budget process of at least 20% of the established minimum level until it has been reached.

If this is financially infeasible,

(2) A written plan shall be forwarded by the County Manager to the Board of County Commissioners for approval in order to restore the unreserved/undesignated fund balance to the established minimum level within a time frame deemed reasonable and appropriate.

- K. AUTHORITY.** Annual Budget Book
Capitalization Approved by BCC at their meeting of
December 11, 2001 Agenda Item 9 for Fiscal Services
Intradepartmental Transfers Resolution 2002-R-94
adopted May 28, 2002
Resolution 2006-R-219 adopted September 26, 2006
Resolution 2007-R-211 adopted November 13, 2007
Resolution 2012-R-107 adopted June 12, 2012

DRAFT Fund Balance Policy (to replace section J. of current policy)

Purpose

The purpose of this policy is to establish a key element of the financial stability of Seminole County by setting guidelines for fund balance. The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the County and is fiscally advantageous for both the County and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the County to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for operations.

Definitions

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

GASB Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:

- 1) **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact.
- 2) **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).
- 3) **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally.
- 4) **Assigned fund balance** – amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the Board of County Commissioners or by a designee to whom the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

Policy

The responsibility for designating funds to specific classifications shall be as follows:

Committed Fund Balance – The Board of County Commissioners is the highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

Assigned Fund Balance – The Board of County Commissioners has authorized the Chief Financial Officer with the Clerk of Court and Comptroller to assign fund balance to a specific purpose as approved by this fund balance policy.

Minimum Unassigned Fund Balance

It is the goal of Seminole County to achieve and maintain an unassigned fund balance in the general fund at fiscal year end of not less than 17% of revenues of the following year adopted budget (not including fund balance). If the unassigned fund balance at fiscal year end falls below the goal, the Board of County Commissioners shall develop a restoration plan to achieve and maintain the minimum fund balance. If a surplus in excess of the established minimum level is determined, it can be committed or appropriated during the next budget amendment for the following purposes:

- 1) One-time Capital Needs – since the surplus does not represent a recurring source of revenue it should not be a source to fund recurring expenditures. The operating impacts associated with the capital expenditure shall be evaluated simultaneously with the approval of the capital appropriation.
- 2) Applied to a Capital Replacement Program – such as vehicle (rolling stock), technology or any other capital renewal and replacement program initiated by the County.
- 3) Reduction or avoidance of Debt – if financial analysis demonstrates an advantage for the County, the surplus may be applied to reduce or eliminate short-term debt or reduce the principal amount the County needs to obtain from scheduled borrowing.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.