# Pay Classification System - BOCC Only

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **HOURLY (NON-EXEMPT)** | | |
| **PAY GRADE 28** | $19,698 - $29,786 | $9.47 - $14.32 |
| Custodian I | | |
| Library Clerk | | |
| Transportation Driver | | |
| Transportation Driver – On Call | | |
| 19 Hour Transportation Driver | | |
| **PAY GRADE 29** | $20,613 - $31,283 | $9.91 - $15.04 |
| Custodian II | | |
| Maintenance Technician I | | |
| Custodian/Maintenance Technician | | |
| **PAY GRADE 30** | $21,611 - $32,677 | $10.39 - $15.71 |
| Adult Day Care Certified Nurses Asst. (CNA-CS) | | |
| Equipment Operator I | | |
| Head Custodian | | |
| Library Assistant I | | |
| Maintenance Technician II | | |
| Recreation Leader | | |
| Senior Meals & Recreation Assistant | | |
| Staff Assistant II | | |
| Adult Day Care Certified Nurses Asst. -On Call | | |
| **PAY GRADE 31** | $22,693 - $34,362 | $10.91 - $16.52 |
| Parks Ranger II | | |
| Receptionist | | |
| Household Hazardous Waste Technician | | |
| **PAY GRADE 32** | $23,754 - $35,901 | $11.42 - $17.26 |
| Airport Attendant | | |
| Equipment Operator II | | |
| Library Assistant II | | |
| Service Writer/Parts Coordinator | | |
| Tradesworker I | | |
| Transportation Dispatch Clerk | | |

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **HOURLY (NON-EXEMPT)** | | |
| Transportation On Call Dispatcher | | |
| Parks Ranger III | | |
| **PAY GRADE 33** | $24,918 - $37,731 | $11.98 - $18.14 |
| Family Consumer Science Assistant | | |
| Recreation Supervisor | | |
| Staff Assistant III | | |
| **PAY GRADE 34** | $26,104 - $39,499 | $12.55 - $18.99 |
| Accounting Clerk | | |
| Equipment Operator III | | |
| Service Mechanic | | |
| Tradesworker II | | |
| **PAY GRADE 35** | $27,685 - $41,891 | $13.31 - $20.14 |
| Central PermittingTechnician | | |
| Crew Leader I | | |
| Senior Meals & Recreation Manager | | |
| Veteran Services Counselor | | |
| **PAY GRADE 36** | $28,725 - $43,472 | $13.81 - $20.90 |
| Airport Operations Supervisor | | |
| E-911 Data Base Specialist | | |
| Emergency Management Technician | | |
| Staff Assistant IV | | |
| Property Control Agent | | |
| Mechanic II/Service Advisor | | |
| **PAY GRADE 37** | $31,179 - $47,174 | $14.99 - $22.68 |
| Drug Coordinator | | |
| Horticultural Program Assistant II | | |
| Tradesworker III | | |
| Utility Systems Technician | | |
| Utility Systems Operator | | |

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **HOURLY (NON-EXEMPT)** | | |
| **PAY GRADE 38** | $31,595 - $47,798 | $15.19 - $22.98 |
| Solid Waste Inspector | | |
| Teen Court Coordinator | | |
| Human Resource Analyst | | |
| **PAY GRADE 39** | $33,030 - $49,982 | $15.88 - $24.03 |
| Chief Fire Prevention Inspector | | |
| Code Enforcement Inspector | | |
| Drafter/CAD Technician | | |
| Equipment Operator IV | | |
| IT Specialist | | |
| Land Development Technician | | |
| Mechanic II EVT | | |
| Tradesworker IV | | |
| Purchasing Specialist | | |
| Mechanic II TVT | | |
| **PAY GRADE 40** | $34,570 - $52,312 | $16.62 - $25.15 |
| Development Inspector | | |
| Engineering Inspector | | |
| **PAY GRADE 41** | $35,464 - $53,664 | $17.05 - $25.80 |
| Building Inspector II | | |
| HVAC Technician | | |
| Legal Assistant | | |
| **PAY GRADE 42** | $36,317 - $54,933 | $17.46 - $26.41 |
| Chief of Trades | | |
| Licensing Manager | | |
| **PAY GRADE 44** | $41,891 - $63,356 | $20.14 - $30.46 |
| Adult Day Care Coord. Substitute | | |
| Adult Day Care Program Manager | | |
| Case Coordinator | | |
| Adult Day Care Program Manager Substitute | | |
| Senior Building Inspector | | |

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **HOURLY (NON-EXEMPT)** | | |
| **PAY GRADE 45** | $47,798 - $72,280 | $22.98 - $34.75 |
| Plans Examiner Building | | |
| **EMERGENCY SERVICES** | | |
| **PAY GRADE 300** | Negotiable | |
| Medical Director | | |
| **PAY GRADE 301** | $32,412 - $51,009 | $10.84 - $17.06 |
| EMT | | |
| **PAY GRADE 302** | $33,966 - $53,611 | $11.36 - $17.93 |
| Firefighter/EMT 56 hour | | |
| Firefighter/EMT/Lieutenant | | |
| **PAY GRADE 303** | $34,983 - $55,136 | $11.70 - $18.44 |
| Paramedic-56 hour | | |
| Firefighter/EMT/Captain | | |
| **PAY GRADE 304** | $31,395 - $47,392 | $10.50 - $15.85 |
| Fire Rescue/Paramedic/Lieutenant | | |
| **PAY GRADE 305** | $32,262 - $49,036 | $10.79 $16.40 |
| Fire Rescue/Paramedic/Captain | | |
| **PAY GRADE 400** | $41,621 - $62,969 | $13.92 - $21.06 |
| F/R Firefighter/Paramedic | | |
| **PAY GRADE 401** | $42,966 - $64,883 | $14.37 - $21.70 |
| F/R Firefighter/Paramedic Lieutenant | | |
| **PAY GRADE 402** | $44,162 - $66,886 | $14.77 - $22.37 |
| F/R Firefighter/Paramedic Captain | | |

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **(EXEMPT)** | | |
| **PROFESSIONAL** | | |
| **PAY GRADE 100** | $27,310 - $41,350 | $13.13 - $19.88 |
| County Extension Director | | |
| Title III Services Case Manager | | |
| **PAY GRADE 101** | $32,864 - $49,733 | $15.80 - $23.91 |
| Administrative Assistant | | |
| Emergency Management Planner | | |
| 4-H Youth Agent | | |
| Human Services Case Manager | | |
| Librarian I | | |
| Parks & Recreation Supervisor I | | |
| Planner I | | |
| Senior Services Case Manager | | |
| Land Manager | | |
| **PAY GRADE 102** | $36,067 - $54,600 | $17.34 - $26.25 |
| Accountant I | | |
| Agriculture Agent | | |
| Librarian II | | |
| Parks & Recreation Supervisor II | | |
| Public Works Supervisor II | | |
| Transportation Coordinator | | |
| Computer System Analyst | | |
| Parks & Recreation Manager | | |

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **(EXEMPT)** | | |
| **PAY GRADE 103** | $39,562 - $59,862 | $19.02 - $28.78 |
| Budget Analyst | | |
| Code Enforcement Supervisor/Inspector | | |
| Growth Management Coordinator | | |
| E911 Coordinator | | |
| Executive Assistant to the County Administrator | | |
| Executive Assistant | | |
| GIS Coordinator | | |
| Human Services Program Manager | | |
| Senior Services Program Manager | | |
| Video Production Coordinator | | |
| SHIP Administrator | | |
| Fleet Services Coordinator | | |
| E 911 GIS Specialist | | |
| Utility Services Coordinator | | |
| Special Projects Coordinator | | |
| **PAY GRADE 104** | $43,451 - $65,707 | $20.89 - $31.59 |
| Public Works Assistant Director | | |
| Development Review Planner III | | |
| Environmental Planner III | | |
| Fire Rescue Training Officer | | |
| General Services Assistant Director | | |
| Purchasing Agent | | |
| Development Engineering Technician | | |
| Webmaster | | |
| Senior Special Projects Coordinator | | |
| **PAY GRADE 105** | $47,715 - $72,238 | $22.94 - $34.73 |
| Chief Building Inspector/Fire Inspector I | | |
| Development Engineer | | |
| Fire Rescue Operations Chief | | |
| I/T Coordinator | | |
| Project Engineer | | |
| Senior Budget Analyst | | |

## Flagler County Board of County Commissioners
## FY 2011-12

## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **(EXEMPT)** | | |
| **PAY GRADE 106** | $52,374 - $79,269 | $25.18 - $38.11 |
| Assistant County Engineer | | |
| Chief Pilot | | |
| Emergency Management Division Chief | | |
| Helicopter Pilot | | |
| **MANAGEMENT** | | |
| **PAY GRADE 503** | $39,187 - $59,280 | $18.84 - $28.50 |
| Veteran's Services Officer | | |
| **PAY GRADE 506** | $43,024 - $65,062 | $20.68 - $31.28 |
| Communications Manager | | |
| **PAY GRADE 512** | $51,875 - $78,478 | $24.94 - $37.73 |
| Flight Operations Chief | | |
| Information Technology Manager | | |
| Library Director | | |
| Public Works Operations Director | | |
| Purchasing Manager | | |
| **PAY GRADE 514** | $54,995 - $83,179 | $26.44 - $39.99 |
| Budget Manager | | |
| **PAY GRADE 515** | $56,971 - $86,174 | $27.39 - $41.43 |
| Social Services Director | | |
| Fire/Rescue Division Chief | | |
| **PAY GRADE 517** | $60,736 - $91,915 | $29.20 - $44.19 |
| Airport Director | | |
| Community Services Director | | |
| Planning Director | | |
| General Services Director | | |

## Flagler County Board of County Commissioners
## FY 2011-12

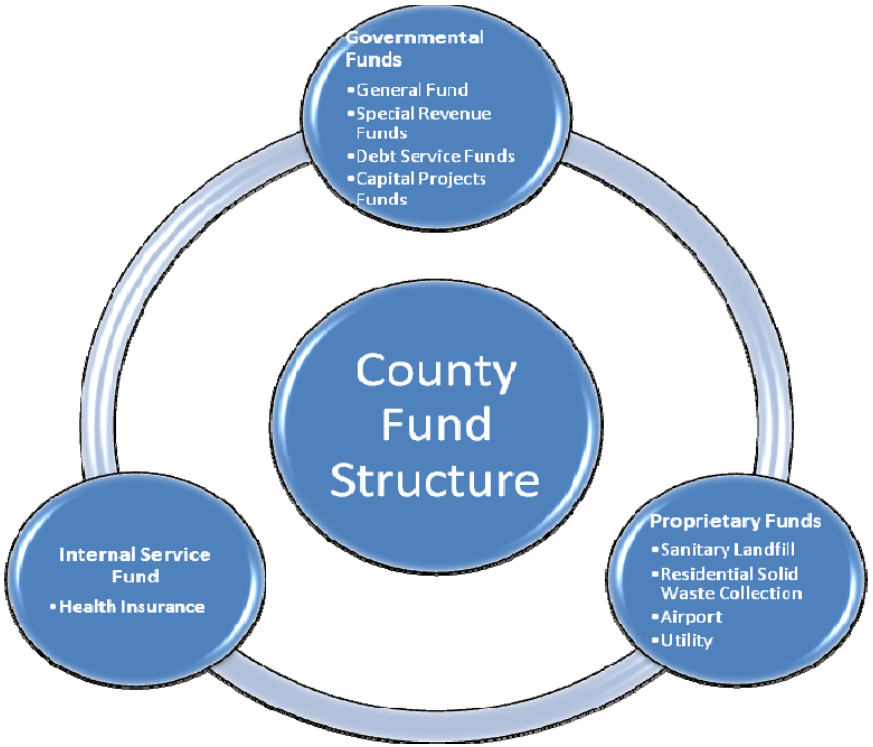
## PAY CLASSIFICATION SYSTEM

| | ANNUAL SALARY | HOURLY SALARY |
|---|---|---|
| **(EXEMPT)** | | |
| **PAY GRADE 519** | $64,500 - $97,573 | $31.01 - $46.91 |
| Chief Building Official/Fire Inspector I | | |
| Emergency Services Director | | |
| Growth Management Director | | |
| Economic Development Manager | | |
| **PAY GRADE 521** | $73,466 - $110,677 | $35.32 - $53.21 |
| County Engineer | | |
| Deputy County Administrator | | |
| Deputy County Attorney | | |
| Financial Services Director | | |
| Economic Development Director | | |
| **PAY GRADE 550** | Determined by the Board of County Commissioners | |
| County Administrator | | |
| County Attorney | | |

# Flagler County BOCC - Fund Structure

**Flagler County Board of County Commissioners**
**FY 2011-2012**

**CLASSIFICATION OF FUNDS**




Generally accepted accounting principles (GAAP) provide for the following fund types used by Flagler County.

Governmental Funds: Governmental Funds are used to account for tax-supported (governmental) activities. See Section 2 and Section 3 for General Fund, Section 5 for a portion of the Special Revenue Funds with the operating nature ones located within Section 4. Section 6 will display the county's debt service funds.

Proprietary Funds: Funds in this category are used to account for a government's business-type activities, see Section 4. This relates specifically to funds, which are supported by fees and charges.

Internal Service Fund: A fund that accounts for financing of goods or services provided by the department or agency to other departments or agencies of the governmental unit or other governmental units, on a cost reimbursement basis. Section 4 contains the Health Insurance Fund.

## CLASSIFICATION OF FUNDS

Section 218.33, Florida Statutes (F.S.), states that the Department of Banking and Finance "…shall make such reasonable rules and regulations regarding uniform accounting practices and procedures by local governmental entities in the state, including a uniform classification of accounts, as it considers necessary to assure the use of proper accounting and fiscal management techniques by such units." The Department of Banking and Finance developed the Uniform Accounting System of Accounts to be used as the standard for recording and reporting financial information to the State of Florida.

In accordance with generally accepted principles, governmental accounting systems are organized and operated on a fund basis. However, due to the inflexibility, complexity and expense involved in the administration of a large number of funds, only a minimum number consistent with legal and operational requirements are established by the local government.

The classification of funds shown below is required to be used by all reporting entities.

### FUND GROUPS

*GOVERNMENTAL FUND TYPES*

001 General Fund. All financial resources except those required to be accounted for in another fund.

100 Special Revenue Funds- Account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

200 Debt Service Funds- Account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

300 Capital Projects Funds-Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds.)

*PROPRIETARY FUND TYPES*

400 Enterprise Funds-Account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

500 Internal Service Funds-Account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

## CLASSIFICATION OF FUNDS

### REVENUE ACCOUNTS

Revenues of a local government should be classified by fund and source to provide the information necessary to prepare and control the budget, record the collection of revenues, prepare financial statements and schedules, and prepare financial statistics.

The Uniform Accounting System provides a revenue code consisting of nine digits: the first three identify the fund and the following six are used for more specific identification.

Fund identification (special revenue fund)

1 0 1 - 0 0 0 0 - 3 3 1 . 0 0 - 0 0

Revenue Classification Code

Department Code (revenue and expenditure)

3XX.XXX REVENUE

31X.XXX Taxes
- 311.0 Ad Valorem Taxes
- 312.XXX Sales, Use and Fuel Taxes
- 313.XXX Franchise Fees
- 314.XXX Utility Service Taxes
- 319.000 Other Taxes

32X.XXX Licenses and Permits
- 321.000 Occupational Licenses
- 322.000 Building Permits
- 329.000 Other Licenses, Fees, and Permits

33X.XXX Intergovernmental Revenue
- 331.XXX Federal Grants
- 334.XXX State Grants
- 335.XXX State Shared Revenues
- 336.000 State Payments in Lieu of Taxes
- 337.XXX Grants from other Local Units
- 338.000 Shared Revenues from other Local Unites
- 339.000 Payments from other Local Unites in Lieu of Taxes

## CLASSIFICATION OF FUNDS

34X.XXX Charges for Services
- 341.XXX General Government
- 342.XXX Public Safety
- 343.XXX Physical Environment
- 344.XXX Transportation
- 345.XXX Economic Environment
- 346.XXX Human Services
- 347.XXX Culture/Recreation
- 348.XXX Court-Related Revenues
- 349.000 Other Charges for Services

35X.XXX Fines and Forfeitures

36X.XXX Miscellaneous Revenues
- 361.100 Interest and Other Earnings
- 362.000 Rents and Royalties
- 363.000 Special Assessments/Impact Fees
- 364.000 Disposition of Fixed Assets
- 365.000 Sales of Surplus Materials and Scrap
- 366.000 Contributions and Donations from Private Sources
- 367.000 Gail or Loss on Sale of Investments
- 368.000 Pension Fund Contributions
- 369.000 Other Miscellaneous Revenues

38X.XXX Other Sources
- 381.000 Interfund Transfer
- 382.000 Contributions from Enterprise Operations
- 383.000 Installment Purchases Proceeds/Capital Lease
- 384.000 Debt Proceeds
- 385.000 Proceeds of Refunding Bonds
- 386.XXX Transfer from Constitutional Fee Officers
- 389.XXX Nonoperating Sources
- 390.000 Depreciation on Fixed Assets Acquired with Contributed Capital

## CLASSIFICATION OF FUNDS

### EXPENDITURE/EXPENSE ACCOUNTS

Expenditures are defined in a governmental fund accounting context as all decreases in fund net assets – for current operations, capital outlay, or debt service – except those arising from operating and residual equity transfer to other funds.

Fund identification (special revenue fund)

1 0 2 - 1 4 2 0 - 5 4 1 . 4 0 - 1 1

Object/Sub-Object (travel)

Transaction code (expenditures)

Division identification

Department Code

Transaction Code:

51X.XX General Government Services (noncourt-related)

| | |
|---|---|
| 511.0 | Legislative |
| 512.0 | Executive |
| 513.0 | Financial and Administrative |
| 514.0 | Legal Counsel |
| 515.0 | Comprehensive Planning |
| 517.0 | Debt Service Payments |
| 518.0 | Pension Benefits |
| 519.0 | Other General Governmental Services |

52X.XX Public Safety

| | |
|---|---|
| 521.0 | Law Enforcement |
| 522.0 | Fire Control |
| 523.0 | Detention and/or Correction |
| 524.0 | Protective Inspections |
| 525.0 | Emergency and Disaster Relief Services |
| 526.0 | Ambulance and Rescue Services |
| 527.0 | Medical Examiners |
| 528.0 | Consumer Affairs |

## CLASSIFICATION OF FUNDS

| | | |
|---|---|---|
| | 529.0 | Other Public Safety |
| 53X.XX | Physical Environment | |
| | 531.0 | Electric Utility Services |
| | 532.0 | Gas Utility Services |
| | 533.0 | Water Utility Services |
| | 534.0 | Garbage/Solid Waste Control Services |
| | 535.0 | Water/Wastewater Services |
| | 536.0 | Water-Sewer Combination Services |
| | 537.0 | Conservation and Resource Management |
| | 538.0 | Flood Control/Stormwater Management |
| | 539.0 | Other Physical Environment |
| 54X.XX | Transportation | |
| | 541.0 | Road and Street Facilities |
| | 542.0 | Airports |
| | 543.0 | Water Transportation Systems |
| | 544.0 | Transit Systems |
| | 545.0 | Parking Facilities |
| | 549.0 | Other Transportation Services |
| 55X.XX | Economic Environment | |
| | 551.0 | Employment Opportunity and Development |
| | 552.0 | Industry Development |
| | 553.0 | Veteran's Services |
| | 554.0 | Housing an Urban Development |
| | 555.0 | Other Economic Environment |
| 56X.XX | Human Services | |
| | 561.0 | Hospitals |
| | 562.0 | Health |
| | 563.0 | Mental Health |
| | 564.0 | Public Assistance |
| | 565.0 | Developmental Disabilities |
| | 569.0 | Other Human Services |

## CLASSIFICATION OF FUNDS

57X.XX Culture/Recreation

| | |
|---|---|
| 571.0 | Libraries |
| 572.0 | Parks and Recreations |
| 573.0 | Cultural Services |
| 574.0 | Special Events |
| 575.0 | Special Recreation Facilities |
| 578.0 | Charter Schools |
| 579.0 | Other Culture/Recreation |

58X.XX Other Uses

| | |
|---|---|
| 581.0 | Interfund Transfer |
| 581.91 | Board of County Commissioners |
| 583.0 | Installment Purchase Acquisitions |
| 584.0 | Capital Lease Acquisitions |
| 585.0 | Payment to Refunded Bond Escrow Agent |
| 586.0 | Transfer Out from Constitutional Fee Officers |
| 586.91 | Transfer Out From Constitutional Officers |
| 590.0 | Other Nonoperating |
| 591.0 | Nonoperating Interest |
| 592.0 | Extraordinary Gain or Loss |

6XX.XX-7XX.XX Court-Related Expenditures

## OBJECT CLASSIFICATION

The eleventh and twelfth digits of the expenditures account designate the object and sub-object classification. All reporting entities are required to use these object codes.

| | |
|---|---|
| 10 | Personal Services |
| 30 | Operating Expenditures/Expenses |
| 60 | Capital Outlay |
| 70 | Debt Service |
| 80 | Grants and Aids |
| 90 | Other Uses |

# Flagler County BOCC - Chart of Accounts

## EXPENDITURE OBJECT/SUB-OBJECT CHART OF ACCOUNTS

**10 PERSONAL SERVICES**

Expenses for salaries, wages and related employee benefits provided for all persons employed by the local unit of government whether on full-time, part-time, temporary or seasonal basis. Employee benefits include employer contributions to a retirement system, social security, insurance, sick leave, and similar direct benefits as well as Workers' Compensation Insurance.

10-11 Executive Salaries

Includes elected officials and top-level management positions. (For Constitutional Officers, include the Officer's salary only). Also, include special qualification salary for elected officials (Chapter 145, FLORIDA STATUTES), if earned.

10-12 Regular Salaries and Wages

Employees, who are or will become members of a retirement system, condition on their employment. Includes all full-time and part-time employees who make up the regular work force. If under the State Retirement System, include employees whose expected duration of employment is 4 or more consecutive months in a 12-month period. Employees who are serving a probationary employment period shall be included in this category if they satisfy the other requirements.

This includes all salaries and salary supplements for official court reporters and electronic recorder operator transcribers and persons supervising these activities.

10-13 Other Salaries and Wages

Employees who are not or will not be members of a retirement system as a condition of their employment. Includes all full-time and part-time temporary employees who are not part of the regular work force and who are filing positions having a temporary duration, usually less than 4 consecutive months in a 12-month period.

10-14 Overtime

Payments in addition to regular salaries and wages for services performed in excess of the regular work hour requirement. This includes all overtime for official court reporting or recording/transcription personnel.

10-21 FICA Taxes

Social Security Matching for all employees.

10-22 Retirement Contributions

Amount contributed to a retirement fund.

10-23 Life and Health Insurance

Includes life and health insurance premiums and benefits paid for employees by the County.

10-24 Workers' Compensation

Premiums and benefits paid for Workers' Compensation Insurance by the County.

## EXPENDITURE OBJECT/SUB-OBJECT CHART OF ACCOUNTS

**30** **OPERATING EXPENSES**

Includes expenditures for goods and services, which primarily benefit the current period and are not defined as personal services or capital outlay.

31-10 Professional Services
Legal, medical, dental, engineering, architectural, appraisal, surveys, environmental studies and other services procured by the local units as independent professional assistance. Includes such financial services as bond rating, etceteras, where the service received is not directly involved with accounting and/or auditing.

33-10 Court Reporter Services
This includes the costs of appearance fees and transcript fees for in-court proceedings, appeals, and depositions.

34-10 Other Contractual Services
Custodial, janitorial, pest control, permit fees, fire extinguisher maintenance, fire alarm inspections, pressure cleaning and other services procured independently by contract or agreement with persons, firms, corporations or other governmental units.

34-20 Governmental Services
This account is strictly for interdepartmental billing.

40-10 Travel and Per Diem
This includes the costs of public transportation and reimbursements for use of private vehicles, per diem, meals and incidental travel expenses. Include hotel costs under this account. (NOTE ACCOUNTS: All conference and seminar registration fees 54-20. Training and education costs for certifications required by job description in 54-21).

41-10 Communications Services – Recurring Charges
Telephone, cellular phone and other monthly or annual communications charges.

41-20 Communications – Installation and Repair
Installation and repair charges for telephone, radio and other communication sources.
NOTE: Does not include purchase of equipment (see 46-40, 51-11, OR 64-10).

42-01 Postage
Freight and express charges, postage and messenger services. (If freight is for delivery of machinery and equipment (greater than $1000), include on cost of equipment).

43-10 Utility Services
Electricity, Gas, Water, Waste Disposal and other public utility services.

## EXPENDITURE OBJECT/SUB-OBJECT CHART OF ACCOUNTS

44-10 Rentals
Amounts paid for the lease or rent of land, buildings, copiers, printers, uniforms or equipment. The County would not have ownership of item once lease expires. This would also include the leasing of vehicles not to be owned by County. (NOTE: Rentals for projects would be included in the project cost and would be a Capital Outlay account number.)

45-10 General Liability Insurance

45-20 Auto Insurance
Automobile insurance premiums.

45-30 Property/Casualty Insurance

45-60 Other Insurance
Notary fees.

46-10 Repair and Maintenance Services – Building/Equipment
The costs incurred for the **repair** and **maintenance** of all buildings and equipment (i.e. window a/c unit.). Items include: paint, keys, primer/sealer, locks, nuts, bolts, screws, anchors, fasteners, etc.

46-20 Repair and Maintenance – Automotive
The cost of repair and maintenance to all automotive equipment/rolling stock.

46-30 Maintenance Agreements
Maintenance agreements and service contracts for equipment (copiers, printers, telephone systems, computer/software support, etc).

46-40 Small Tools/Small Equipment
Includes small tools or small equipment, not related to office, with a unit value estimated to be **less than $1,000** (includes cameras, radios, cellular phones, playground equipment, a/c units, gas can, paint brushes, roller covers, hoses, pneumatic staples, saw blades, drill bits, rechargeable batteries required for use of tool).

47-10 Printing and Binding
Cost of printing, binding, and other reproduction services that are contracted for or purchased from outside vendors.

48-10 Promotional Activities
Includes any type of promotional advertising on behalf of the local unit.

49-10 Other Current Charges and Obligations
Includes current charges and obligations not otherwise classified.

49-13 Service Awards / Recognition
Monthly and annual awards per policy and procedures (in department only).

## EXPENDITURE OBJECT/SUB-OBJECT CHART OF ACCOUNTS

49-14 Landfill Tipping Fees
Landfill tipping fees charged to various departments.

49-15 Advertising
Employment ads, classified ads and legal ads.

51-10 Office Supplies
Includes consumable materials and supplies such as stationery, pre-printed forms, paper, charts, pens, pencils, paperclips and maps.

51-11 Office Equipment
Includes equipment items with a unit value **less than $1,000**. Examples would be calculators, surge protectors, scanners, office furniture and office telephones.

52-10 Operating Supplies – Gas and Oil (Vehicles Only)
Fuel and kerosene, oil and lubricants used in the conduct of operations.

52-12 Other Operating Expenses
All types of supplies **consumed** in the conduct of operations. This category may include food, bottled water, flags, chemicals, laboratory supplies, household items, institutional supplies, glue, liquid nails, freon, recording tapes, transcript production, supplies and vehicle license & keys, oil for office equipment maintenance, replacement batteries (other than vehicle batteries and rechargeable batteries used in tools).

52-20 Clothing and Wearing Apparel
Purchase of uniforms, bunker gear and other clothing. If items are rented see 44-10 rental and leases.

52-30 Data Processing Software
Computer software, software upgrades and licensing.

53-10 Road Materials and Supplies
Those materials and supplies used exclusively in the repair and reconstruction of roads and bridges. This object code would be used primarily for the Transportation Trust Fund.

54-10 Books, Publications, Subscriptions, and Memberships
Includes books, or sets of books if purchased by set, of unit value less than $1,000 and not purchased for use by libraries, educational institutions and other institutions where books and publications constitute capital outlay. This object also includes subscriptions, memberships and training manuals.

54-20 Conference and Seminar Fees Registration fees associated with conferences or seminars.

55-01 Employee Education and Training
Training and education certification costs only as required by job description; would also include professional licenses
.

## EXPENDITURE OBJECT/SUB-OBJECT CHART OF ACCOUNTS

**60** **CAPITAL OUTLAY** (Expenditures with a unit value of **$1000 and greater**.)

61-10 Land and Permanent Easements

62-10 Capital Outlay – Buildings
Includes replacement of a/c unit (greater than $1,000). NOTE: If cost is over $5,000 charge it here, if unit cost is between $1,000 and $5,000 it must be charged to 64-10). Projects should be tracked with project number, work order number and job number.

63-10 Capital Outlay – Improvements Other Than Buildings
Includes soccer fields (NEW, not repair or replacement), roadways and landscaping (fertilizer for maintenance would be 52-12).

64-10 Capital Outlay – Equipment and Machinery
Include playground equipment, motor vehicles, heavy equipment-transportation, other heavy equipment, office furniture and equipment, moveable equipment (window a/c unit) and other machinery and equipment. Freight is included in the cost of the item.

66-10 Books, Publications, and Library Materials
This object includes all books, publications, regardless of value, when purchased for use by libraries, educational institutions and other institutions or facilities where such items constitute a major outlay category. This object is also used for those items with a unit value of $1,000 or more, regardless of the institution or facility purchasing them.

67-10 Capital Leases
Vehicles and equipment leased and then owned by County at end of lease.

**71** **DEBT SERVICE**

Outlays for repayment of debt on Bond Issues, Lease Purchases, etceteras.

71-10 Debt Service Principal
The cost of principal re-payment.

72-10 Debt Service Interest
The cost of interest on debt.

73-10 Other Debt Service Expenses
Issue costs, fees and etcetera, for debt issues.

# Flagler County BOCC - Financial Policies

**Flagler County Board of County Commissioners**
**FY 2011-2012**

## SUMMARY OF FINANCIAL POLICIES

1. The Board will adopt a balanced budget, that is, the total of the estimated receipts, including balances brought forward, shall equal the total of the appropriations and reserves.

2. The operating budget authorizing the expenditure of ad valorem taxes, user charges, fees and other revenues will be adopted annually by the Flagler County Board of County Commissioners (Board) at fund level.

3. The budget for each fund is prepared using the modified accrual basis of accounting with revenues budgeted when available and measurable and expenditures budgeted when the services or goods are received and the liabilities are incurred. The basis of budgeting (modified accrual) is the same as the basis of accounting used in the audited financial statements for Governmental fund financial statements. Proprietary funds are accounted for using the accrual basis of accounting in the audited financial statements. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

4. All revenues that are reasonably expected to be unexpended and unencumbered at the end of the fiscal year will be anticipated as “cash carry forward” in the budget of the following fiscal year. Cash carry forward is also known as “appropriated fund balance” in governmental budgeting.

5. Capital Outlay is the purchase of fixtures and other tangible personal property of a nonconsumable nature. Capital assets costing more than $1,000 and having a useful life of more than one year are capitalized.

6. A five-year Capital Improvement Program (CIP) is prepared and presented to the Board for approval as part of the budget adoption process. In order to qualify for inclusion in the CIP a project must have both an estimated useful life of at least 10 years and a total cost of at least $25,000 or increase the total square footage more than 5% of a new or existing facility.

7. A reserve equal to 15% of the current year budget is maintained in the General fund, and 20% of the current year budget is maintained in the Enterprise funds.

8. The Sheriff, Clerk of the Circuit Court, and Supervisor of Elections submit their proposed budget request by June 1 of each year.

9. The proposed operating budget of the Property Appraiser must be presented to the Board on or before June 1 of each year and is simultaneously submitted by the Property Appraiser to the State of Florida, Department of Revenue, from which the final approval of the budget of the Property Appraiser must estimate.

10. Following successful completion of the 1st Public hearing, the Board advertises and conducts a second Public hearing to adopt a millage rate and budget for each of the taxing entities. These Public hearings are held prior to October 1 each year.

# Flagler County Budget Policy

**Flagler County Board of County Commissioners**
**FY 2011-2012**

# BUDGET POLICY

## 1.01 INTENT

It is the intent of this policy to set forth the process for how the county develops, implements, and administers its operating and capital budgets in accordance with the provisions of applicable state and federal laws as well as generally accepted accounting principles. It is also intended to provide guidelines to those offices, departments and agencies which are involved with the county budget. The County Administrator or designee, as the designated County Budget Officer, with the assistance of the Financial Services Department, is responsible for the implementation of this policy.

## 2.01 STATUTORY REQUIREMENTS

The process of developing, adopting and amending the budget shall be governed by the provisions of Chapters 129 and 200, Florida Statutes, as now or hereafter amended, and such other legislation as may hereinafter be enacted.

## 3.01 BUDGET DEVELOPMENT

A. Each budget adoption cycle, prior to commencement of budget preparation, the County Administrator or designee shall solicit input from the Board of County Commissioners (Board) concerning the proposed budget policies and objectives for the ensuing budget cycle. The County Administrator or designee will provide recommendations and information to assist the Board in making informed policy decisions. The County Administrator or designee will also provide the Board with a proposed calendar of events setting forth the recommended schedule for the budget preparation, hearings, and adoption process which will generally conform to the following timetable:

**BUDGET CALENDAR TARGET DATES** (actual dates may vary slightly)

On or before June 1 – Constitutional Officers submit their proposed budget to the County Commission

On or before July 1 – Assessed values for ad valorem taxes are received from the Property Appraiser for all taxing districts.

On or before July 15 - Present County Administrator's Proposed Budget to the County Commission

On or before July 31 – Conduct County Commission Budget Workshops

On or before August 4 – Conduct budget reconciliation, approve certification of tentative millage rates, establish the date, time and place for the first public hearing to consider adoption of the proposed millage rates and the tentative budget, and set tentative assessment rates. Once the millage rate is certified, it may not be increased without re-mailing the notice of proposed property taxes.

August - Property Appraiser mails the notice of proposed property taxes to all property owners advising them of the proposed tax rate and the valuation of each parcel of property. The notice of proposed property taxes, which includes the date, time, and place of the first public hearing to consider adoption of the budget, must be mailed within fifty-five days after certification of taxable values.

October – No later than thirty days following adoption of ad valorem tax rates and budget, the County must certify to the Florida Department of Revenue, Division of Ad Valorem Tax that they have complied with the provisions of Chapter 200, Florida Statues.

Conduct a series of public hearings, generally as follows:

Between July 15 and July 31 – Public hearing to receive input from the public concerning the proposed budget.

Between August 1 and September 15 – Public hearing to adopt special assessment rates and rolls.

## BUDGET POLICY

No earlier than September 3 nor later than September 18 – Public hearing to consider adoption of the proposed millage rates and the tentative budget.

No earlier than September 18 nor later than October 3 – Public hearing to consider final adoption of the millage rates and budget.

B. The annual operating budget will be used as one basis upon which to project five years of revenues and expenditures in order to identify revenues available to fund the Capital Improvement Program and/or the Capital Improvements Element of the Comprehensive Plan.

C. The Board may make provision for a market equity adjustment (MEA) to ensure that employee pay ranges remain competitive in the marketplace due to increases in the Consumer Price Index. The Board may also make provision for anniversary merit salary increases and pay plan changes in any given budget cycle.

D. Cost guidelines for departments and other budgeted agencies will be provided for selected accounts (e.g., insurance, retirement contributions, gas & fuel, etc.) whenever possible.

E. Worker's Compensation costs will be budgeted for each participating Constitutional Officer and Department. The Financial Services Department will allocate the cost of the workers compensation program to each participating organization on the basis of a percentage of the state manual premium rates.

F. Insurance premiums for health, dental, life, or any other type of insurance will be allocated on a full cost basis to the budgets of each participating Constitutional Officer, department, and agency.

G. Capital outlay shall mean property, as that term is defined in Section 274.02(1), Florida Statutes, as now or hereafter amended.

H. As part of the budget adoption process, a five-year Capital Improvement Program (CIP) shall be prepared and presented to the Board for approval. Capital outlay in the operating budget shall match the CIP, except that operating capital outlay not meeting the definition of a CIP project may be excluded from the CIP. In order to qualify for inclusion in the Capital Improvement Program (CIP), a project must have both an estimated useful life of at least 10 years and a total cost of at least $25,000 or increase the total square footage more than 5% of a new or existing facility. All operating and staffing costs associated with CIP projects should be submitted with CIP requests. Each CIP project must identify an appropriate source of funding. Funds may be borrowed for capital expenditures only with the issuance of debt not to exceed the useful life of the improvement, but in no event to exceed forty years. The County when constructing or acquiring a public shall evaluate if it is able to adequately provide for subsequent annual operation and maintenance costs of the facility. Revenues sources will only be pledged for debt when legally available. In those situations where the revenue sources have previously been used for general operating expenditures, then it should only be pledged for debt when other sufficient revenue sources are available to replace them.

I. Where appropriate, there shall be created in each fund a reserve for contingency in an amount deemed appropriate by the County Administrator or designee and approved by the Board, subject to the limitation set forth in Section 129.01(2)(c)1., Florida Statutes, as now or hereafter amended. In addition, pursuant to the provisions of Chapter 2, Article II, Division 7 of the Flagler County Administrative Code, there shall be created a reserve for fund balance as required therein.

H. It is the intent of the County that all funds operate without subsidies and/or transfers from other funds. However, it may occasionally become necessary to make temporary interfund loans, which may take the form of a subsidy and/or a transfer. Where exceptional circumstances require such a subsidy or transfer, they shall be treated as a loan to be repaid in full to the originating fund, unless otherwise exempted by the Board and is consistent with applicable law or any contractual obligation. In order to ensure the continuity of operations, temporary interfund loans (which may be defined as loans which are expected to be repaid during the fiscal year) can be made without the prior approval of the Board. Interfund loans extending past the fiscal year shall require an annual report submitted to the Board with associated budget adjustment. All interfund loans shall bear interest at the aggregate rate of return earned by the county's pooled investment fund. The most accelerated repayment plan practical will be calculated and budgeted, and repayment plans revised annually. Nothing contained in this section shall prohibit the Board from executing specific loan agreements whose terms differ substantially from those required by this section. This paragraph shall be effective October 1, 2008.

I. Pursuant to the provisions of Section 129.03(2), Florida Statutes, the Sheriff, Clerk of the Circuit Court, and Supervisor of Elections shall submit their proposed budget requests by June 1 of each year to the County Administrator or designee, as the designated County Budget Officer. In the absence of the resolution

specified in Section 145.022, Florida Statutes, the Tax Collector and Property Appraiser currently operate their respective offices as fee officers. As such, their budget submissions are governed by applicable law, including the provisions of Section 195.087, Florida Statutes. Each other department, agency, office, organization, or person funded or seeking funds from the County operating budget shall submit their proposed budget by the date and time established by the County Administrator or designee, as the designated County Budget Officer.

**4.01 BUDGET EXECUTION AND AMENDMENT**

Execution and amendment of the County budget shall be governed by the provisions of Section 129.06, Florida Statutes, as now or hereafter amended, and the following procedures:

A. At the department level, budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the category level. Category levels are defined as follows:

1. Personal services include expenditures/expenses for salaries, wages, and related employee benefits provided for all County employees whether on full-time, part-time, temporary, or seasonal basis. Employee benefits include employer contributions to the Florida Retirement System, social security, insurance, personal leave, and similar direct benefits as well as other costs such as worker's compensation coverage and unemployment compensation insurance.

2. Operating expenditures/expenses include all the costs to provide goods and services which primarily benefit the current period, and are not defined as personal services or capital outlay.

3. Capital outlay shall mean property, as that term is defined in Section 274.02(1), Florida Statutes, as now or hereafter amended.

4. Debt service costs include the payment of principal, interest and related costs of borrowed funds. Debt service millage will be anticipated at levels that will generate sufficient revenue to make all required payments.

5. Grants and aids include all grants, subsidies and contributions to other government agencies and private organizations.

6. Other uses consist of interfund transfers, reserve, and contingency accounts within funds. Transfers are used to move funds from one fund to another without the intent of reimbursement. They will be made according to either prescribed formulas or legal requirements upon the availability of unrestricted fund balances. All transfers must represent a legally authorized use of the revenues from which the funds are transferred.

B. Pursuant to the provisions of Section 129.06(2)(a), Florida Statutes, as now or hereafter amended, the Board hereby empowers the County Administrator or designee, as designated budget officer, with the authority to make budget transfers within a department, provided that the total appropriations of the affected department is not changed. In addition, the Board hereby empowers the County Administrator or designee, with the authority to make capital outlay substitutions within the adopted budget.

C. Total appropriations in a fund may be increased by action of the Board of County Commissioners for (1) a receipt of a nature from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursement for damages and (2) increased receipts for enterprise or proprietary funds received for a particular purpose.

D. Appropriations may be made from the reserve for contingencies account to increase the appropriation for any particular expense in the same fund, or to create an appropriation in the fund for any lawful purpose, except no expenditures shall be charged directly to a reserve account.

E. In addition to the methods set forth above, pursuant to the provisions of Section 129.06(2)(f), Florida Statutes, total appropriations in a fund may be amended by resolution or ordinance of the Board adopted following a public hearing. Unless otherwise provided by law, the public hearing must be advertised at least 2 days, but not more than 5 days, before the date of the hearing. The advertisement must appear in a newspaper of paid general circulation and must identify the name of

## BUDGET POLICY

the taxing authority, the date, place, and time of the hearing, and the purpose of the hearing. The advertisement must also identify each budgetary fund to be amended, the source of the funds, the use of the funds, and the total amount of each budget.

# Flagler County Fund Balance Policy

**ORDINANCE NO. 2008-89**

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF FLAGLER COUNTY, FLORIDA, AMENDING CHAPTER 2, FLAGLER COUNTY CODE ENTITLED "ADMINISTRATION," ARTICLE II ENTITLED "FINANCE," DIVISION 7 ENTITLED "FUND BALANCE/RETAINED EARNINGS POLICY," SECTION 2-100-2, ENTITLED "CREATION OF FUND BALANCE/RETAINED EARNINGS RESERVES"; PROVIDING FOR COMPLIANCE DATES FOR THE FUNDING OF A RESERVATION OF RETAINED EARNINGS IN THE EXISTING UTILITY SERVICES FUND AND ANY ADDITIONAL UTILITY SERVICES FUNDS THAT MAY BE CREATED IN THE FUTURE; DELETING THE PUBLIC TRANSPORTATION ENTERPRISE FUND; AUTHORIZING INCLUSION IN THE CODE AND CORRECTION OF SCRIVENER ERRORS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS,** Flagler County Board of County Commissioners adopted Ordinance No. 2006-24 which established a fund balance/retained earnings stabilization policy to insure against unanticipated events which would adversely affect the financial condition of the County and jeopardize the continuation of necessary public services; and

**WHEREAS,** the Flagler County Transportation Department is no longer an enterprise fund and that language should be removed from the Flagler County Code; and

**WHEREAS**, the Board of County Commissioners desires to amend the Flagler County Code to provide compliance dates for the existing utility services fund and any possible future utility services funds.

**WHEREAS**, the Board of County Commissioners further desires to update the fund balance/retained earnings stabilization policy enacted in 2006.

**NOW, THEREFORE, BE IT ORDAINED BY THE FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS AS FOLLOWS:**

**SECTION 1.** The Flagler County Code, Chapter 2, Article II, Division 7, Section 2-100-2, titled "Creation of fund balance/retained earnings reserves,"" is hereby amended to read as follows:

**DIVISION 7. FUND BALANCE/RETAINED EARNINGS POLICY**

**Sec. 2-100.2. Creation of fund balance/retained earnings reserves.**

(a) [Created.] There is hereby created, in each of the various governmental fund types (general fund, special revenue funds, debt service funds, and capital projects funds) and proprietary fund types (enterprise funds and internal service funds), a reservation of fund balance or retained earnings equal to the following:

(1) General fund. In the general fund, there shall be created a reservation of fund balance equal to fifteen (15) percent of the current fiscal year budget for the fund. For the purposes of this calculation, the current fiscal year budget shall be the budget as originally adopted in September. This reserve shall be in addition to all other reserves or designations of fund balance, including but not limited to reservations for uncollected

receivables and reservations of funds which have expenditure authority limited to specific purposes (i.e. proceeds from the sale or conversion of judicially forfeited properties). In any fiscal year when the county is unable to create the reservation of fund balance required by this section, the county shall not budget any amount of appropriated fund balance for the purpose of balancing the budget.

(2) Special revenue funds. By definition, special revenue funds are created to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes. As such, no specific reservation fund balance is created by virtue of enactment of this section, rather the amount of any reservation fund balance shall be governed by the legal authority underlying the creation of the individual fund.

(3) Debt service fund. Debt service funds are typically subjected to the creation of very specific reserve amounts as a part of the ordinance or resolution which authorizes the issuance of the bonds which are being repaid. Therefore, this policy does not create any specific reservation of fund balance within the debt service fund. Reserve requirements for any outstanding county bond issues will be as provided by the ordinance or resolution authorizing the issuance of the bonds.

(4) Capital project fund. The capital projects fund was created to account for resources (such as the local government infrastructure sales surtax) designated to construct or acquire general fixed assets and major improvements. Occasionally, these projects may extend beyond a single fiscal year. Therefore, although no specific reserve requirement is established for the capital projects fund, at a minimum, the fiscal year end unreserved, undesignated fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund all outstanding fund obligations.

(5) Enterprise funds. The county has created enterprise funds to account for the following: utility services, airport and sanitary landfill. For such enterprise funds, there shall be created a reservation of retained earnings equal to twenty (20) percent of the current fiscal year budget for that fund.

For the purposes of this calculation, the current fiscal year budget shall be the total budget as originally adopted in September. This budget shall be prepared on the modified accrual basis of accounting and therefore includes such items as operating transfers out. This reserve shall be in addition to all other reservations of retained earnings, including but not limited to amounts reserved for debt service and/or amounts reserved for renewal and replacement of long lived assets.

(6) Internal service funds. The county has created one internal service fund to account for employee health benefits coverage. There is hereby created within the internal service fund, a reservation of retained earnings in the fund as of the end of each fiscal year greater than or equal to zero. This reserve shall be in addition to all other reservations of retained earnings, including but not limited to amounts reserved for claims incurred but not paid in the health care coverage fund. By definition, internal service funds are used to account for the financing of goods of services provided by one department or agency to other departments or agencies of the county, or to other governmental units, on a cost-reimbursement basis. Consequently, these funds are generally intended to operate on a break even basis. Therefore, in any fiscal year when it is projected that the actual amount of unreserved retained earnings will be less than or equal to zero at year end, it will be necessary to either increase the rates charged or reduce expenses or both.

(b) Utilization of surplus reserves. In the event that the unreserved, undesignated fund balance or unreserved retained earnings balance exceeds the amounts set forth above, the excess may be utilized for any lawful purpose. Nevertheless, it is recommended that first priority be given to utilizing the excess within the fund in which it was generated. In order to minimize the long term effect of such use, it is also recommended that any such excess be used to fund one time expenditures or expenses which do not result in recurring operating costs or other one time costs including the establishment of or increase in legitimate reservations or designations of fund balance or reservations of retained earnings.

(c) Replenishment of reserve deficits. If, at the end of any fiscal year, the actual amount of unreserved, undesignated fund balance, or unreserved retained earnings falls below the required levels set forth herein, the county administrator shall prepare and submit a plan for expenditure or expense reductions and/or revenue increases to the county commission. As a part of the annual budget review, the county commission shall review and amend the plan submitted by the county administrator for restoring the amount of unreserved, undesignated fund balance, or unreserved retained earnings to the required levels. Any deficit in the required amount must be restored no later than the end of the second fiscal year following its occurrence, other than enterprise funds, which shall be restored no later than the end of the third fiscal year following its occurrence.

(d) Annual review. Compliance with the provisions of this section shall be reviewed as part of the annual budget adoption process.

(e) Compliance date. Unless specifically required by other authoritative documents (i.e. bond resolutions, statutory law, etc.), the reservation of fund balance or retained earnings required in paragraph (a) above shall be fully funded no later than October 1, 2010, except for the Beverly Beach utility services fund which shall be fully funded no later than October 1, 2014. Earlier compliance is permitted and encouraged. For any additional utility services funds, including a future, separate Eagles Lake utility system, that may be created in the future, the county administrator (or the administrator's designee) shall submit a plan to the county commission for approval which includes an amount and a timetable for the funding of a reservation of retained earnings in such funds.

(Ord. No. 06-24, § I, 11-6-06)

**SECTION 2. INCLUSION IN THE CODE AND SCRIVENER ERRORS.**

The provisions of this Ordinance shall be included and incorporated into the Code of Ordinances of Flagler County, Florida, as additions or amendments thereto, and shall be appropriately numbered, renumbered, lettered or re-lettered to conform to the uniform numbering system of the Code. Scrivener errors may be corrected as deemed necessary.

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

**SECTION 4. SEVERABILITY.** It is the intent of the Board of County Commissioners of Flagler County, Florida, that if any section, subsection, sentence, clause, phrase, or provision of this Ordinance is held invalid or unconstitutional, such invalidity or unconstitutionality shall not be so construed as to render invalid or unconstitutional the remaining provisions of this Ordinance.

**SECTION 5. EFFECTIVE DATE.** This Ordinance shall take effect upon filing with the Department of State, as provided by Section 125.66, Florida Statutes.

**ADOPTED BY THE FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS, this 17th day of November, 2008.**

**FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS**

James M. O'Connell

James M. O'Connell, Chairman

**ATTEST:**

Lisa Bolt, D.C.

for Gail Wadsworth, Clerk and
Ex Officio Clerk to the Board

**APPROVED AS TO FORM**

Albert J. Hadeed

Albert J. Hadeed, County Attorney

# Florida Statutes - Chapter 129

## FLORIDA STATUTES - CHAPTER 129 COUNTY ANNUAL BUDGET

129.01 Budget system established.

129.011 Consolidation of funds.

129.02 Requisites of budgets.

129.021 County officer budget information.

129.025 County budget officer.

129.03 Preparation and adoption of budget.

129.04 Fiscal year.

129.06 Execution and amendment of budget.

129.07 Unlawful to exceed the budget; certain contracts void; commissioners contracting excess indebtedness personally liable.

129.08 County commissioner voting to pay illegal claim or for excess indebtedness.

129.09 County auditor not to sign illegal warrants.

129.201 Budget of supervisor of elections; manner and time of preparation and presentation.

129.202 Budget of supervisor of elections; matters related to allocation, expenditure, etc., of amounts in budget.

**129.01 Budget system established.**--There is hereby established a budget system for the control of the finances of the boards of county commissioners of the several counties of the state, as follows:

(1) There shall be prepared, approved, adopted, and executed, as prescribed in this chapter, for the fiscal year ending September 30, 1952, and for each fiscal year thereafter, an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget shall control the levy of taxes and the expenditure of money for all county purposes during the ensuing fiscal year.

(2) Each budget shall conform to the following general directions and requirements:

(a) The budget shall be prepared, summarized, and approved by the board of county commissioners of each county.

(b) The budget shall be balanced; that is, the total of the estimated receipts, including balances brought forward, shall equal the total of the appropriations and reserves. It shall conform to the uniform classification of accounts prescribed by the appropriate state agency. The receipts division of the budget shall include 95 percent of all receipts reasonably to be anticipated from all sources, including taxes to be levied, provided the percent anticipated from ad valorem levies shall be as specified in s. 200.065(2)(a), and 100 percent of the amount of the balances of both cash and liquid securities estimated to be brought forward at the beginning of the fiscal year. The appropriation division of the budget shall include itemized appropriations for all expenditures authorized by law, contemplated to be made, or incurred for the benefit of the county during the said year and the provision for the reserves

authorized by this chapter. Both the receipts and appropriation divisions shall reflect the approximate division of expenditures between countywide expenditures and noncountywide expenditures and the division of county revenues derived from or on behalf of the county as a whole and county revenues derived from or on behalf of a municipal service taxing unit, special district included within the county budget, unincorporated area, service area, or program area, or otherwise not received for or on behalf of the county as a whole.

(c) Provision may be made for the following reserves:

1. A reserve for contingencies may be provided in a sum not to exceed 10 percent of the total of the budget.

2. A reserve for cash balance to be carried over may be provided for the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when the revenues for that year are expected to be available. This reserve may be not more than 20 percent of the total receipts and balances of the budget; provided that for the bond interest and sinking fund budget, this reserve may be not more than the total maturities of debt (both principal and interest) that will occur during the ensuing fiscal year, plus the sinking fund requirements, computed on a straight-line basis, for any outstanding obligations to be paid from the fund.

(d) An appropriation for "outstanding indebtedness" shall be made to provide for the payment of vouchers which have been incurred in and charged against the budget for the current year or a prior year, but which are expected to be unpaid at the beginning of the ensuing year for which the budget is being prepared. The appropriation for the payment of such vouchers shall be made in the same fund for which the expenses were originally incurred.

(e) Any surplus arising from an excess of the estimated cash balance over the estimated amount of unpaid obligations to be carried over in a fund at the end of the current fiscal year may be transferred to any of the other funds of the county, and the amount so transferred shall be budgeted as a receipt to such other funds; provided, that no such surplus in a fund raised for debt service shall be transferred to another fund, except to a fund raised for the same purposes in the same territory, unless the debt of such territory has been extinguished, in which case it may be transferred to any other fund raised for that territory; provided, further, that no such surplus in a capital outlay reserve fund may be transferred to another fund until such time as the projects for which such capital outlay reserve fund was raised have been completed and all obligations paid.

**History.**--s. 1, ch. 6814, 1915; RGS 1524; CGL 2302; s. 1, ch. 26874, 1951; ss. 12, 35, ch. 69-106; s. 5, ch. 73-349; s. 1, ch. 77-165; s. 1, ch. 78-132; s. 1, ch. 78-157; s. 28, ch. 80-274; s. 3, ch. 96-324.

**129.011 Consolidation of funds.**--

(1) In order to simplify and otherwise improve the accounting system provided by law and to facilitate a better understanding of the fiscal operation of the county by the general public, the board of county commissioners may, by resolution duly adopted, consolidate any of its separate budgetary funds into a single general fund, except that all revenue and expenditures of the county transportation trust fund established pursuant to s. 336.022 shall be shown as a separate budgetary fund.

(2) Subsequent to the consolidation of any budgetary funds as provided in subsection (1), the maximum permitted tax millage of the combined fund shall be the total amount authorized by law for the separate funds so consolidated.

(3) This section is deemed to be in the general public interests and it is the intent of the Legislature that the provisions hereof shall be liberally construed to accomplish the purposes contained herein.

**History.**--ss. 1, 2, 4, ch. 70-282; s. 2, ch. 77-165; s. 263, ch. 84-309; s. 19, ch. 87-224.

**129.02 Requisites of budgets.**--Each budget shall conform to the following specific directions and requirements:

(1) General fund budget shall contain an estimate of receipts by source, including any taxes now or hereafter authorized by law to be levied for any countywide purpose, except those

## FLORIDA STATUTES - CHAPTER 129 COUNTY ANNUAL BUDGET

countywide purposes provided for in the budgets enumerated below, any tax millage limitation to the contrary notwithstanding, and including any balance brought forward as provided herein; and an itemized estimate of expenditures that will need to be incurred to carry on all functions and activities of the county government now or hereafter authorized by law, except those functions and activities provided for in the budgets enumerated below, and of unpaid vouchers of the general fund; also of the reserve for contingencies and of the balances, as hereinbefore provided, which should be carried forward at the end of the year.

(2) The County Transportation Trust Fund budget shall contain an estimate of receipts by source and balances as provided herein, and an itemized estimate of expenditures that need to be incurred to carry on all work on roads and bridges in the county except that provided for in the capital outlay reserve fund budget and in district budgets pursuant to this chapter, and of unpaid vouchers of the County Transportation Trust Fund; also of the reserve for contingencies and the balance, as hereinbefore provided, which should be carried forward at the end of the year.

(3) The budget for the county fine and forfeiture fund shall contain an estimate of receipts by source and balances as provided herein, and an itemized estimate of expenditures that need to be incurred to carry on all criminal prosecution, and all other law enforcement functions and activities of the county now or hereafter authorized by law, and of indebtedness of the county fine and forfeiture fund; also of the reserve for contingencies and the balance, as hereinbefore provided, which should be carried forward at the end of the year.

(4)(a) Capital outlay reserve fund budget shall contain an estimate of receipts by source, including any taxes authorized by law to be levied for that purpose, and including any balance brought forward as provided for herein; and an itemized estimate of expenditures for capital purposes to give effect to general improvement programs. It shall be a plan for the expenditure of funds for capital purposes, showing as income the revenues, special assessments, borrowings, receipts from sale of capital assets, free surpluses, and down payment appropriation to be applied to the cost of a capital project or projects, expenses of issuance of obligations, engineering, supervision, contracts, and any other related expenditures. It may contain also an estimate for the reserves as hereinbefore provided and for a reserve for future construction and improvements. No expenditures or obligations shall be incurred for capital purposes except as appropriated in this budget, except for the preliminary expense of plans, specifications and estimates.

(b) Under the provision herein set forth, a separate capital budget may be adopted for each special district included within the county budget, or a consolidated capital budget may be adopted providing for the consolidation of capital projects of the county and of the special districts included within the county budget into one budget, treating borrowed funds and other receipts as special revenue earmarked for capital projects as separately itemized appropriation for each district special project or county project, as the case may be.

(c) Any funds in the capital budget not required to meet the current construction cost of any project may be invested in any securities of the Federal Government or in securities of any county of the state pledging the full faith and credit of such county or pledging such county's share of the gas tax provided for in s. 16 of Art. IX of the Constitution of 1885 as adopted by the 1968 revised constitution or in s. 9, Art. XII of said revision.

(5) A bond interest and sinking fund budget shall be made for each county and for each special district included within the county budget having bonds outstanding. The budget shall contain an estimate of receipts by source, including any taxes authorized by law to be levied for that purpose, and including any balances brought forward as provided herein; and an itemized estimate of expenditures and reserves as follows: The bond interest and principal maturities in the year for which the budget is made shall be determined and estimates for expenses connected with the payments of such bonds and coupons, commissions of the tax collector, and of the property appraiser, and expenses of refunding operations, if any are contemplated, shall be appropriated. A sufficient "cash balance to be carried over" may be reserved as set forth hereinbefore. The sinking fund requirements provided for in the said reserve may be carried over either in cash or in securities of the Federal Government and of the local governments in Florida, or both.

(6) For each special district included within the county budget, the operating fund budget shall contain an estimate of receipts by source and balances as provided herein, and an itemized estimate of expenditures that will need to be incurred to carry on all functions and activities of the special district as now or hereafter provided by law and of the indebtedness of the special district; also of the reserves for contingencies and the balances, as hereinbefore provided, which should be carried forward at the end of the year.

**History.**--s. 2, ch. 6814, 1915; RGS 1525; CGL 2303; s. 2, ch. 26874, 1951; s. 10, ch. 27991, 1953; s. 18, ch. 69-216; s. 1, ch. 77-102; s. 73, ch. 79-400; s. 4, ch. 96-324; s. 53, ch.

2004-265.

**129.021 County officer budget information.**--Notwithstanding other provisions of law, the budgets of all county officers, as submitted to the board of county commissioners, shall be in sufficient detail and contain such information as the board of county commissioners may require in furtherance of their powers and responsibilities provided in ss. 125.01(1)(q) and (r) and (6) and129.01(2)(b).

**History.**--s. 2, ch. 78-132.

**129.025 County budget officer.**--

(1) Each board of county commissioners may designate a county budget officer to carry out the duties set forth in this chapter. Unless the board designates a different officer, the clerk of the circuit court or the county comptroller, if applicable, shall be the budget officer for the purposes of this chapter.

(2) The Legislature finds that the duties of county budget officer set forth in this chapter do not fall within the constitutional responsibilities performed by the several clerks of the circuit court as auditor and custodian of county funds. The position of county budget officer shall not constitute an office in the meaning of s. 5, Art. II of the State Constitution.

**History.**--s. 1, ch. 78-303.

**129.03 Preparation and adoption of budget.**--

(1) Pursuant to s. 200.065, the county property appraiser shall certify to the county budget officer his or her estimate of the total valuations against which taxes may be levied in the entire county and in each district in the county in which taxes are authorized by law to be levied by the board of county commissioners for funds under its control. In preparing the budget, the figure so certified shall be used as the basis for estimating the millage rate required to be levied and shall be noted on each tentative budget and each official budget, on the same line with the amount estimated to be raised from taxes.

(2) On or before June 1 of each year, the sheriff, the clerk of the circuit court and county comptroller, the tax collector subject to a resolution entered into pursuant to s. 145.022(1), and the supervisor of elections shall each submit to the board of county commissioners a tentative budget for their respective offices for the ensuing fiscal year. However, the board of county commissioners may, by resolution, require the tentative budgets to be submitted by May 1 of each year.

(3) No later than 15 days after certification of value by the property appraiser pursuant to s. 200.065(1), the county budget officer, after tentatively ascertaining the proposed fiscal policies of the board for the ensuing fiscal year, shall prepare and present to the board a tentative budget for the ensuing fiscal year for each of the funds provided in this chapter, including all estimated receipts, taxes to be levied, and balances expected to be brought forward and all estimated expenditures, reserves, and balances to be carried over at the end of the year.

(a) The board of county commissioners shall receive and examine the tentative budget for each fund and, subject to the notice and hearing requirements of s. 200.065, shall require such changes to be made as it shall deem necessary; provided the budget shall remain in balance. The county budget officer's estimates of receipts other than taxes, and of balances to be brought forward, shall not be revised except by a resolution of the board, duly passed and spread on the minutes of the board. However, the board may allocate to any of the funds of the county any anticipated receipts, other than taxes levied for a particular fund, except receipts designated or received to be expended for a particular purpose.

(b) Upon receipt of the tentative budgets and completion of any revisions made by the board, the board shall prepare a statement summarizing all of the adopted tentative budgets. This summary statement shall show, for each budget and the total of all budgets, the proposed tax millages, the balances, the reserves, and the total of each major classification of receipts and expenditures, classified according to the classification of accounts prescribed by the appropriate state agency. The board shall cause this summary statement to be advertised one time in a newspaper of general circulation published in the county, or by posting at the courthouse door if there is no such newspaper, and the advertisement shall

appear adjacent to the advertisement required pursuant to s. 200.065.

(c) The board shall hold public hearings to adopt tentative and final budgets pursuant to s. 200.065. The hearings shall be primarily for the purpose of hearing requests and complaints from the public regarding the budgets and the proposed tax levies and for explaining the budget and proposed or adopted amendments thereto, if any. The tentative budgets, adopted tentative budgets, and final budgets shall be filed in the office of the county auditor as a public record. Sufficient reference in words and figures to identify the particular transactions shall be made in the minutes of the board to record its actions with reference to the budgets.

**History.**--s. 3, ch. 6814, 1915; RGS 1526; CGL 2304; s. 1, ch. 19115, 1939; s. 3, ch. 26874, 1951; s. 11, ch. 57-1; ss. 12, 35, ch. 69-106; s. 6, ch. 73-349; s. 1, ch. 77-102; s. 2, ch. 78-303; s. 30, ch. 80-274; s. 2, ch. 82-33; s. 15, ch. 82-226; s. 1, ch. 88-158; s. 2, ch. 89-297; s. 827, ch. 95-147.

**129.04 Fiscal year.**--The fiscal year of each county of the state shall commence on October 1, and end on September 30 of each year, and whenever the word "year" appears in this chapter, it shall be construed as meaning the fiscal year as hereby established.

**History.**--s. 4, ch. 6814, 1915; RGS 1527; CGL 2305.

**129.06 Execution and amendment of budget.**--

(1) Upon the final adoption of the budgets as provided in this chapter, the budgets so adopted shall regulate the expenditures of the county and each special district included within the county budget, and the itemized estimates of expenditures shall have the effect of fixed appropriations and shall not be amended, altered, or exceeded except as provided in this chapter.

(a) The modified-accrual basis or accrual basis of accounting must be followed for all funds in accordance with generally accepted accounting principles.

(b) The cost of the investments provided in this chapter, or the receipts from their sale or redemption, must not be treated as expense or income, but the investments on hand at the beginning or end of each fiscal year must be carried as separate items at cost in the fund balances; however, the amounts of profit or loss received on their sale must be treated as income or expense, as the case may be.

(2) The board at any time within a fiscal year may amend a budget for that year, and may within the first 60 days of a fiscal year amend the budget for the prior fiscal year, as follows:

(a) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes, provided that the total of the appropriations of the fund may not be changed. The board of county commissioners, however, may establish procedures by which the designated budget officer may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department may not be changed.

(b) Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expense in the same fund, or to create an appropriation in the fund for any lawful purpose, but expenditures may not be charged directly to the reserve for contingencies.

(c) The reserve for future construction and improvements may be appropriated by resolution of the board for the purposes for which the reserve was made.

(d) A receipt of a nature from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursement for damages, may, by resolution of the board spread on its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations must be added to the budget of the proper fund. The resolution may amend the budget to transfer revenue between funds to properly account for unanticipated revenue.

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(e) Increased receipts for enterprise or proprietary funds received for a particular purpose may, by resolution of the board spread on its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. The resolution may amend the budget to transfer revenue between funds to properly account for increased receipts.

(f) If an amendment to a budget is required for a purpose not specifically authorized in paragraphs (a)-(e), unless otherwise prohibited by law, the amendment may be authorized by resolution or ordinance of the board of county commissioners adopted following a public hearing. The public hearing must be advertised at least 2 days, but not more than 5 days, before the date of the hearing. The advertisement must appear in a newspaper of paid general circulation and must identify the name of the taxing authority, the date, place, and time of the hearing, and the purpose of the hearing. The advertisement must also identify each budgetary fund to be amended, the source of the funds, the use of the funds, and the total amount of each budget.

(3) Only the following transfers may be made between funds:

(a) Transfers to correct errors in handling receipts and disbursements.

(b) Budgeted transfers.

(c) Transfers to properly account for unanticipated revenue or increased receipts.

(4) All unexpended balances of appropriations at the end of the fiscal year shall revert to the fund from which the appropriation was made, but reserves for sinking funds and for future construction and improvements may not be diverted to other purposes.

(5) Any county constitutional officer whose budget is approved by the board of county commissioners, who has not been reelected to office or is not seeking reelection, shall be prohibited from making any budget amendments, transferring funds between itemized appropriations, or expending in a single month more than one-twelfth of any itemized approved appropriation, following the date he or she is eliminated as a candidate or October 1, whichever comes later, without approval of the board of county commissioners.

**History.**--s. 6, ch. 6814, 1915; RGS 1529; CGL 2307; s. 5, ch. 26874, 1951; s. 2, ch. 78-157; s. 2, ch. 88-85; s. 1, ch. 93-109; s. 828, ch. 95-147; s. 5, ch. 96-324; s. 12, ch. 2001-252.

**129.07 Unlawful to exceed the budget; certain contracts void; commissioners contracting excess indebtedness personally liable.**--It is unlawful for the board of county commissioners to expend or contract for the expenditure in any fiscal year more than the amount budgeted in each fund's budget, except as provided herein, and in no case shall the total appropriations of any budget be exceeded, except as provided in s. 129.06, and any indebtedness contracted for any purpose against either of the funds enumerated in this chapter or for any purpose, the expenditure for which is chargeable to either of said funds, shall be null and void, and no suit or suits shall be prosecuted in any court in this state for the collection of same, and the members of the board of county commissioners voting for and contracting for such amounts and the bonds of such members of said boards also shall be liable for the excess indebtedness so contracted for.

**History.**--s. 7, ch. 6814, 1915; RGS 1530; CGL 2308; s. 6, ch. 26874, 1951; s. 3, ch. 78-157.

**129.08 County commissioner voting to pay illegal claim or for excess indebtedness.**--Each member of the board of county commissioners who knowingly and willfully votes to incur an indebtedness against the county in excess of the expenditure allowed by law or county ordinance, or to pay an illegal charge against the county, or to pay any claim against the county not authorized by law or county ordinance shall be guilty of malfeasance in office and subject to suspension and removal from office as now provided by law, and shall be guilty of a misdemeanor, and shall upon conviction be punished by a fine of not less than $100 nor more than $500 or by imprisonment in the county jail for not more than 6 months, for each

offense.

**History.**--s. 2, ch. 6814, 1915; RGS 5332; CGL 7465; s. 4, ch. 71-14; s. 1, ch. 71-305.

**129.09 County auditor not to sign illegal warrants.**--Any clerk of the circuit court, acting as county auditor, who shall sign any warrant for the payment of any claim or bill or indebtedness against any county funds in excess of the expenditure allowed by law, or county ordinance, or to pay any illegal charge against the county, or to pay any claim against the county not authorized by law, or county ordinance, shall be personally liable for such amount, and if he or she shall sign such warrant willfully and knowingly he or she shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

**History.**--s. 2, ch. 6814, 1915; RGS 5333; CGL 7466; s. 5, ch. 71-14; s. 78, ch. 71-136; s. 2, ch. 71-305; s. 829, ch. 95-147.

**129.201 Budget of supervisor of elections; manner and time of preparation and presentation.**--

(1) Pursuant to s. 129.03(2), each supervisor of elections shall certify to the board of county commissioners, or county budget commission if there is one in the county, a proposed budget of income and expenditures to fulfill the duties, responsibilities, and operation of the office of the supervisor of elections for the ensuing fiscal year of the county. The fiscal year of the supervisor of elections shall commence on October 1 of each year and shall end on September 30 of the following year.

(2)(a) Each expenditure item in the budget for the supervisor of elections shall be itemized generally as follows:

1. Compensation for the supervisor of elections and all other personnel of the office.

2. Operating expenses.

3. Capital outlay.

4. Contingencies and transfers.

(b) To the extent appropriate, the budget shall be further itemized in conformance with the Uniform Accounting System for Local Units of Government in Florida adopted by rule of the Chief Financial Officer.

(3) The supervisor of elections shall furnish to the board of county commissioners or the county budget commission all relevant and pertinent information which such board or commission shall deem necessary.

(4) The board or commission, as the case may be, may require the supervisor of elections to correct mathematical, mechanical, factual, and clerical errors and errors of form in the proposed budget. At the hearings held pursuant to s. 200.065, the board or commission may amend, modify, increase, or reduce any or all items of expenditure in the proposed budget; and, as amended, modified, increased, or reduced, such budget shall be approved by the board or commission, giving written notice of its action to specific items amended, modified, increased, or reduced.

(5) The board or commission shall include in the county budget the items of proposed expenditures as set forth in the budget required by this section to be submitted, after the budget has been reviewed and approved. The board or commission shall include the supervisor of elections' reserve for contingencies provided herein in the reserve for contingencies account in the general county budget.

(6) The reserve for contingencies in the budget of a supervisor of elections shall be governed by the same provisions governing the amount and use of the reserve for contingencies

appropriated in the county budget.

(7) The proposed budget shall be submitted to the board of county commissioners or county budget commission pursuant to s. 129.03(2), and the budget shall be included by the board or commission in the general county budget.

(8) The items placed in the budget of the board pursuant to this act shall be subject to the same provisions of law as the county annual budget; however, no amendment may be made to the appropriations of the office of the supervisor of elections without due notice of the change to the supervisor of elections.

(9) The budget of the supervisor of elections may be increased by the board of county commissioners to cover such expenses for emergencies and unanticipated expenses as are recommended and justified by the supervisor of elections.

**History.**--s. 1, ch. 82-202; s. 2, ch. 83-204; s. 38, ch. 83-217; s. 146, ch. 2003-261.

**129.202 Budget of supervisor of elections; matters related to allocation, expenditure, etc., of amounts in budget.**--

(1)(a) The supervisor of elections shall requisition and the board of county commissioners shall pay that officer, at the first meeting in October of each year, 25 percent of the total amount budgeted for the office and, thereafter on the first of each month, 6.82 percent of the total amount budgeted for the office. However, if there are unusual or unanticipated expenses in any one month, upon notification by the supervisor of elections, the board shall transfer the necessary amount, except that the total amount paid during the year shall not, without appropriate amendments, exceed the total budgeted for the year.

(b) The appropriation shall be transferred into a special account set up in the name of the supervisor of elections, and the clerk of the court acting as the clerk of the board of county commissioners shall draw checks or warrants thereon for payment of all expenses requisitioned by the supervisor of elections. All salaries shall be supported by payrolls, and all expenses paid shall be supported with bills approved by the supervisor of elections. Should the supervisor of elections desire, he or she may have the monthly allocation for the office of the supervisor of elections deposited directly into an official bank or depository trust account for the supervisor of elections and draw his or her own checks thereon for payment of budgeted expenditures authorized by law. All fees, commissions, and other funds collected by the supervisor of elections shall be deposited directly into the supervisor of elections' special account established under this subsection.

(c) Regardless of whether the supervisor of elections draws checks or warrants for the office of the supervisor of elections or allows the clerk to handle that function, the supervisor of elections may have a revolving petty cash fund established for payment of small cash outlay items by cash, check, or warrant. The revolving petty cash fund shall be reimbursed from time to time upon the presentation of vouchers and receipts substantiating disbursements from the fund.

(d) If the supervisor of elections draws the checks or warrants for the office of the supervisor of elections, he or she shall keep the necessary budget accounts and records and shall charge all paid bills and payrolls to the proper budget accounts. If the clerk draws the checks for the office of the supervisor of elections, this responsibility shall remain with the clerk. A reserve for contingencies, or any part thereof, may be transferred to any of the budget accounts in the discretion of the supervisor of elections.

(e) All expenses incurred in the fiscal year for which the budget is made shall be vouchered and charged to the budget for that year. To carry out the purpose of this budgeting provision, the books may be held open for 30 days after the end of the year.

(f) All unexpended balances at the end of each fiscal year shall be refunded to the board of county commissioners and deposited to the county fund or funds from which payment was originally made.

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(2) The independence of the supervisor of elections shall be preserved concerning the purchase of supplies and equipment; the selection of personnel; and the hiring, firing, and setting of salaries of such personnel; however, nothing herein contained shall restrict the operation of any lawfully established county civil service system.

**History.**--ss. 2, 4, ch. 82-202; s. 39, ch. 83-217; s. 830, ch. 95-147

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(1) Upon completion of the assessment of all property pursuant to s. 193.023, the property appraiser shall certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. This certification shall include a copy of the statement required to be submitted under s. 195.073(3), as applicable to that taxing authority. The form on which the certification is made shall include instructions to each taxing authority describing the proper method of computing a millage rate which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100 percent, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115 percent of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value. That millage rate shall be known as the "rolled-back rate." The property appraiser shall also include instructions, as prescribed by the Department of Revenue, to each county and municipality, each special district dependent to a county or municipality, each municipal service taxing unit, and each independent special district describing the proper method of computing the millage rates and taxes levied as specified in subsection (5). The Department of Revenue shall prescribe the instructions and forms that are necessary to administer this subsection and subsection (5). The information provided pursuant to this subsection shall also be sent to the tax collector by the property appraiser at the time it is sent to each taxing authority.

(2) No millage shall be levied until a resolution or ordinance has been approved by the governing board of the taxing authority which resolution or ordinance must be approved by the taxing authority according to the following procedure:

(a)1. Upon preparation of a tentative budget, but prior to adoption thereof, each taxing authority shall compute a proposed millage rate necessary to fund the tentative budget other than the portion of the budget to be funded from sources other than ad valorem taxes. In computing proposed or final millage rates, each taxing authority shall utilize not less than 95 percent of the taxable value certified pursuant to subsection (1).

2. The tentative budget of the county commission shall be prepared and submitted in accordance with s. 129.03.

3. The tentative budget of the school district shall be prepared and submitted in accordance with chapter 1011, provided that the date of submission shall not be later than 24 days after certification of value pursuant to subsection (1).

4. Taxing authorities other than the county and school district shall prepare and consider tentative and final budgets in accordance with this section and applicable provisions of law, including budget procedures applicable to the taxing authority, provided such procedures do not conflict with general law.

(b) Within 35 days of certification of value pursuant to subsection (1), each taxing authority shall advise the property appraiser of its proposed millage rate, of its rolled-back rate computed pursuant to subsection (1), and of the date, time, and place at which a public hearing will be held to consider the proposed millage rate and the tentative budget. The property appraiser shall utilize this information in preparing the notice of proposed property taxes pursuant to s. 200.069. The deadline for mailing the notice shall be the later of 55 days after certification of value pursuant to subsection (1) or 10 days after either the date the tax roll is approved or the interim roll procedures under s. 193.1145 are instituted. If the deadline for mailing the notice of proposed property taxes is 10 days after the date the tax roll is approved or the interim roll procedures are instituted, all subsequent deadlines provided in this section shall be extended. The number of days by which the deadlines shall be extended shall equal the number of days by which the deadline for mailing the notice of proposed taxes is extended beyond 55 days after certification. If any taxing authority fails to provide the information required in this paragraph to the property appraiser in a timely fashion, the taxing authority shall be prohibited from levying a millage rate greater than the rolled-back rate computed pursuant to subsection (1) for the upcoming fiscal year, which rate shall be computed by the property appraiser and used in preparing the notice of proposed property taxes.

(c) Within 80 days of the certification of value pursuant to subsection (1), but not earlier than 65 days after certification, the governing body of each taxing authority shall hold a public hearing on the tentative budget and proposed millage rate. Prior to the conclusion of the hearing, the governing body of the taxing authority shall amend the tentative budget as it sees

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fit, adopt the amended tentative budget, recompute its proposed millage rate, and publicly announce the percent, if any, by which the recomputed proposed millage rate exceeds the rolled-back rate computed pursuant to subsection (1). That percent shall be characterized as the percentage increase in property taxes tentatively adopted by the governing body.

(d) Within 15 days after the meeting adopting the tentative budget, the taxing authority shall advertise in a newspaper of general circulation in the county as provided in subsection (3), its intent to finally adopt a millage rate and budget. A public hearing to finalize the budget and adopt a millage rate shall be held not less than 2 days nor more than 5 days after the day that the advertisement is first published. During the hearing, the governing body of the taxing authority shall amend the adopted tentative budget as it sees fit, adopt a final budget, and adopt a resolution or ordinance stating the millage rate to be levied. The resolution or ordinance shall state the percent, if any, by which the millage rate to be levied exceeds the rolled-back rate computed pursuant to subsection (1), which shall be characterized as the percentage increase in property taxes adopted by the governing body. The adoption of the budget and the millage-levy resolution or ordinance shall be by separate votes. For each taxing authority levying millage, the name of the taxing authority, the rolled-back rate, the percentage increase, and the millage rate to be levied shall be publicly announced prior to the adoption of the millage-levy resolution or ordinance. In no event may the millage rate adopted pursuant to this paragraph exceed the millage rate tentatively adopted pursuant to paragraph (c). If the rate tentatively adopted pursuant to paragraph (c) exceeds the proposed rate provided to the property appraiser pursuant to paragraph (b), or as subsequently adjusted pursuant to subsection (11), each taxpayer within the jurisdiction of the taxing authority shall be sent notice by first-class mail of his or her taxes under the tentatively adopted millage rate and his or her taxes under the previously proposed rate. The notice must be prepared by the property appraiser, at the expense of the taxing authority, and must generally conform to the requirements of s. 200.069. If such additional notice is necessary, its mailing must precede the hearing held pursuant to this paragraph by not less than 10 days and not more than 15 days.

(e)1. In the hearings required pursuant to paragraphs (c) and (d), the first substantive issue discussed shall be the percentage increase in millage over the rolled-back rate necessary to fund the budget, if any, and the specific purposes for which ad valorem tax revenues are being increased. During such discussion, the governing body shall hear comments regarding the proposed increase and explain the reasons for the proposed increase over the rolled-back rate. The general public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body shall adopt its tentative or final millage rate prior to adopting its tentative or final budget.

2. These hearings shall be held after 5 p.m. if scheduled on a day other than Saturday. No hearing shall be held on a Sunday. The county commission shall not schedule its hearings on days scheduled for hearings by the school board. The hearing dates scheduled by the county commission and school board shall not be utilized by any other taxing authority within the county for its public hearings. A multicounty taxing authority shall make every reasonable effort to avoid scheduling hearings on days utilized by the counties or school districts within its jurisdiction. Tax levies and budgets for dependent special taxing districts shall be adopted at the hearings for the taxing authority to which such districts are dependent, following such discussion and adoption of levies and budgets for the superior taxing authority. A taxing authority may adopt the tax levies for all of its dependent special taxing districts, and may adopt the budgets for all of its dependent special taxing districts, by a single unanimous vote. However, if a member of the general public requests that the tax levy or budget of a dependent special taxing district be separately discussed and separately adopted, the taxing authority shall discuss and adopt that tax levy or budget separately. If, due to circumstances beyond the control of the taxing authority, the hearing provided for in paragraph (d) is recessed, the taxing authority shall publish a notice in a newspaper of general paid circulation in the county. The notice shall state the time and place for the continuation of the hearing and shall be published at least 2 days but not more than 5 days prior to the date the hearing will be continued.

(f)1. Notwithstanding any provisions of paragraph (c) to the contrary, each school district shall advertise its intent to adopt a tentative budget in a newspaper of general circulation pursuant to subsection (3) within 29 days of certification of value pursuant to subsection (1). Not less than 2 days or more than 5 days thereafter, the district shall hold a public hearing on the tentative budget pursuant to the applicable provisions of paragraph (c).

2. Notwithstanding any provisions of paragraph (b) to the contrary, each school district shall advise the property appraiser of its recomputed proposed millage rate within 35 days of certification of value pursuant to subsection (1). The recomputed proposed millage rate of the school district shall be considered its proposed millage rate for the purposes of paragraph (b).

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3. Notwithstanding any provisions of paragraph (d) to the contrary, each school district shall hold a public hearing to finalize the budget and adopt a millage rate within 80 days of certification of value pursuant to subsection (1), but not earlier than 65 days after certification. The hearing shall be held in accordance with the applicable provisions of paragraph (d), except that a newspaper advertisement need not precede the hearing.

(g) Notwithstanding other provisions of law to the contrary, a taxing authority may:

1. Expend moneys based on its tentative budget after adoption pursuant to paragraph (c) and until such time as its final budget is adopted pursuant to paragraph (d), only if the fiscal year of the taxing authority begins prior to adoption of the final budget or, in the case of a school district, if the fall term begins prior to adoption of the final budget; or

2. Readopt its prior year's adopted final budget, as amended, and expend moneys based on that budget until such time as its tentative budget is adopted pursuant to paragraph (c), only if the fiscal year of the taxing authority begins prior to adoption of the tentative budget. The readopted budget shall be adopted by resolution without notice pursuant to this section at a duly constituted meeting of the governing body.

(3) The advertisement shall be no less than one-quarter page in size of a standard size or a tabloid size newspaper, and the headline in the advertisement shall be in a type no smaller than 18 point. The advertisement shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement shall be published in a newspaper of general paid circulation in the county or in a geographically limited insert of such newspaper. The geographic boundaries in which such insert is circulated shall include the geographic boundaries of the taxing authority. It is the legislative intent that, whenever possible, the advertisement appear in a newspaper that is published at least 5 days a week unless the only newspaper in the county is published less than 5 days a week, or that the advertisement appear in a geographically limited insert of such newspaper which insert is published throughout the taxing authority's jurisdiction at least twice each week. It is further the legislative intent that the newspaper selected be one of general interest and readership in the community and not one of limited subject matter, pursuant to chapter 50.

(a) For taxing authorities other than school districts which have tentatively adopted a millage rate in excess of 100 percent of the rolled-back rate computed pursuant to subsection (1), the advertisement shall be in the following form:

NOTICE OF PROPOSED TAX INCREASE

The (name of the taxing authority) has tentatively adopted a measure to increase its property tax levy.

Last year's property tax levy:

A. Initially proposed tax levy ..... $XX,XXX,XXX

B. Less tax reductions due to Value Adjustment Board and other assessment changes ..... ($XX,XXX,XXX)

C. Actual property tax levy ..... $XX,XXX,XXX

This year's proposed tax levy ..... $XX,XXX,XXX

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All concerned citizens are invited to attend a public hearing on the tax increase to be held on (date and time) at (meeting place).

A FINAL DECISION on the proposed tax increase and the budget will be made at this hearing.

(b) In all instances in which the provisions of paragraph (a) are inapplicable for taxing authorities other than school districts, the advertisement shall be in the following form:

NOTICE OF BUDGET HEARING

The (name of taxing authority) has tentatively adopted a budget for (fiscal year). A public hearing to make a FINAL DECISION on the budget AND TAXES will be held on (date and time) at (meeting place).

(c) For school districts which have proposed a millage rate in excess of 100 percent of the rolled-back rate computed pursuant to subsection (1) and which propose to levy nonvoted millage in excess of the minimum amount required pursuant to s. 1011.60(6), the advertisement shall be in the following form:

NOTICE OF PROPOSED TAX INCREASE

The (name of school district) will soon consider a measure to increase its property tax levy.

Last year's property tax levy:

A. Initially proposed tax levy ..... $XX,XXX,XXX

B. Less tax reductions due to Value Adjustment Board and other assessment changes ..... ($XX,XXX,XXX)

C. Actual property tax levy ..... $XX,XXX,XXX

This year's proposed tax levy ..... $XX,XXX,XXX

A portion of the tax levy is required under state law in order for the school board to receive $ (amount A) in state education grants. The required portion has (increased or decreased) by (amount B) percent and represents approximately (amount C) of the total proposed taxes.

The remainder of the taxes is proposed solely at the discretion of the school board.

All concerned citizens are invited to a public hearing on the tax increase to be held on (date and time) at (meeting place).

A DECISION on the proposed tax increase and the budget will be made at this hearing.

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1. AMOUNT A shall be an estimate, provided by the Department of Education, of the amount to be received in the current fiscal year by the district from state appropriations for the Florida Education Finance Program.

2. AMOUNT B shall be the percent increase over the rolled-back rate necessary to levy only the required local effort in the current fiscal year, computed as though in the preceding fiscal year only the required local effort was levied.

3. AMOUNT C shall be the quotient of required local-effort millage divided by the total proposed nonvoted millage, rounded to the nearest tenth and stated in words; however, the stated amount shall not exceed nine-tenths.

(d) For school districts which have proposed a millage rate in excess of 100 percent of the rolled-back rate computed pursuant to subsection (1) and which propose to levy as nonvoted millage only the minimum amount required pursuant to s. 1011.60(6), the advertisement shall be the same as provided in paragraph (c), except that the second and third paragraphs shall be replaced with the following paragraph:

This increase is required under state law in order for the school board to receive $ (amount A) in state education grants.

(e) In all instances in which the provisions of paragraphs (c) and (d) are inapplicable for school districts, the advertisement shall be in the following form:

NOTICE OF BUDGET HEARING

The (name of school district) will soon consider a budget for (fiscal year). A public hearing to make a DECISION on the budget AND TAXES will be held on (date and time) at (meeting place).

(f) In lieu of publishing the notice set out in this subsection, the taxing authority may mail a copy of the notice to each elector residing within the jurisdiction of the taxing authority.

(g) In the event that the mailing of the notice of proposed property taxes is delayed beyond September 3 in a county, any multicounty taxing authority which levies ad valorem taxes within that county shall advertise its intention to adopt a tentative budget and millage rate in a newspaper of paid general circulation within that county, as provided in this subsection, and shall hold the hearing required pursuant to paragraph (2)(c) not less than 2 days or more than 5 days thereafter, and not later than September 18. The advertisement shall be in the following form, unless the proposed millage rate is less than or equal to the rolled-back rate, computed pursuant to subsection (1), in which case the advertisement shall be as provided in paragraph (e):

NOTICE OF TAX INCREASE

The (name of the taxing authority) proposes to increase its property tax levy by (percentage of increase over rolled-back rate) percent.

All concerned citizens are invited to attend a public hearing on the proposed tax increase to be held on (date and time) at (meeting place).

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(h) In no event shall any taxing authority add to or delete from the language of the advertisements as specified herein unless expressly authorized by law, except that, if an increase in ad valorem tax rates will affect only a portion of the jurisdiction of a taxing authority, advertisements may include a map or geographical description of the area to be affected and the proposed use of the tax revenues under consideration. The advertisements required herein shall not be accompanied, preceded, or followed by other advertising or notices which conflict with or modify the substantive content prescribed herein.

(i) The advertisements required pursuant to paragraphs (b) and (e) need not be one-quarter page in size or have a headline in type no smaller than 18 point.

(j) The amounts to be published as percentages of increase over the rolled-back rate pursuant to this subsection shall be based on aggregate millage rates and shall exclude voted millage levies unless expressly provided otherwise in this subsection.

(k) Any taxing authority which will levy an ad valorem tax for an upcoming budget year but does not levy an ad valorem tax currently shall, in the advertisement specified in paragraph (a), paragraph (c), paragraph (d), or paragraph (g), replace the phrase "increase its property tax levy by (percentage of increase over rolled-back rate) percent" with the phrase "impose a new property tax levy of $ (amount) per $1,000 value."

(l) Any advertisement required pursuant to this section shall be accompanied by an adjacent notice meeting the budget summary requirements of s. 129.03(3)(b). Except for those taxing authorities proposing to levy ad valorem taxes for the first time, the following statement shall appear in the budget summary in boldfaced type immediately following the heading, if the applicable percentage is greater than zero:

THE PROPOSED OPERATING BUDGET EXPENDITURES OF (name of taxing authority) ARE (percent rounded to one decimal place) MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

For purposes of this paragraph, "proposed operating budget expenditures" or "operating expenditures" means all moneys of the local government, including dependent special districts, that:

1. Were or could be expended during the applicable fiscal year, or

2. Were or could be retained as a balance for future spending in the fiscal year.

Provided, however, those moneys held in or used in trust, agency, or internal service funds, and expenditures of bond proceeds for capital outlay or for advanced refunded debt principal, shall be excluded.

(4) The resolution or ordinance approved in the manner provided for in this section shall be forwarded to the property appraiser and the tax collector within 3 days after the adoption of such resolution or ordinance. No millage other than that approved by referendum may be levied until the resolution or ordinance to levy required in subsection (2) is approved by the governing board of the taxing authority and submitted to the property appraiser and the tax collector. The receipt of the resolution or ordinance by the property appraiser shall be considered official notice of the millage rate approved by the taxing authority, and that millage rate shall be the rate applied by the property appraiser in extending the rolls pursuant to s. 193.122, subject to the provisions of subsection (6). These submissions shall be made within 101 days of certification of value pursuant to subsection (1).

(5) Beginning in the 2009-2010 fiscal year and in each year thereafter:

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(a) The maximum millage rate that a county, municipality, special district dependent to a county or municipality, municipal service taxing unit, or independent special district may levy is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied, adjusted for growth in per capita Florida personal income, unless a higher rate is adopted, in which case the maximum is the adopted rate. The maximum millage rate applicable to a county authorized to levy a county public hospital surtax under s. 212.055 shall exclude the revenues required to be contributed to the county public general hospital for the purposes of making the maximum millage rate calculation, but shall be added back to the maximum millage rate allowed after the roll back has been applied. A higher rate may be adopted only under the following conditions:

1. A rate of not more than 110 percent of the rolled-back rate based on the previous year's maximum millage rate, adjusted for growth in per capita Florida personal income, may be adopted if approved by a two-thirds vote of the governing body of the county, municipality, or independent district; or

2. A rate in excess of 110 percent may be adopted if approved by a unanimous vote of the governing body of the county, municipality, or independent district or by a three-fourths vote if the governing body has nine or more members or if the rate is approved by a referendum.

(b) The millage rate of a county or municipality, municipal service taxing unit of that county, and any special district dependent to that county or municipality may exceed the maximum millage rate calculated pursuant to this subsection if the total county ad valorem taxes levied or total municipal ad valorem taxes levied do not exceed the maximum total county ad valorem taxes levied or maximum total municipal ad valorem taxes levied respectively. Voted millage and taxes levied by a municipality or independent special district that has levied ad valorem taxes for less than 5 years are not subject to this limitation. Total taxes levied may exceed the maximum calculated pursuant to subsection (6) as a result of an increase in taxable value above that certified in subsection (1) if such increase is less than the percentage amounts contained in subsection (6); however, if such increase in taxable value exceeds the percentage amounts contained in this subsection, millage rates subject to this subsection, s. 200.185, or s. 200.186 must be reduced so that total taxes levied do not exceed the maximum.

Any unit of government operating under a home rule charter adopted pursuant to ss. 10, 11, and 24, Art. VIII of the State Constitution of 1885, as preserved by s. 6(e), Art. VIII of the State Constitution of 1968, which is granted the authority in the State Constitution to exercise all the powers conferred now or hereafter by general law upon municipalities and which exercises such powers in the unincorporated area shall be recognized as a municipality under this subsection.

(6) Prior to extension of the rolls pursuant to s. 193.122, the property appraiser shall notify each taxing authority of the aggregate change in the assessment roll, if any, from that certified pursuant to subsection (1), including, but not limited to, those changes which result from actions by the value adjustment board or from corrections of errors in the assessment roll. Municipalities, counties, school boards, and water management districts may adjust administratively their adopted millage rate without a public hearing if the taxable value within the jurisdiction of the taxing authority as certified pursuant to subsection (1) is at variance by more than 1 percent with the taxable value shown on the roll to be extended. Any other taxing authority may adjust administratively its adopted millage rate without a public hearing if the taxable value within the jurisdiction of the taxing authority as certified pursuant to subsection (1) is at variance by more than 3 percent with the taxable value shown on the roll to be extended. The adjustment shall be such that the taxes computed by applying the adopted rate against the certified taxable value are equal to the taxes computed by applying the adjusted adopted rate to the taxable value on the roll to be extended. However, no adjustment shall be made to levies required by law to be a specific millage amount. Not later than 3 days after receipt of notification pursuant to this subsection, each affected taxing authority shall certify to the property appraiser its adjusted adopted rate. Failure to so certify shall constitute waiver of the adjustment privilege.

(7) Nothing contained in this section shall serve to extend or authorize any millage in excess of the maximum millage permitted by law or prevent the reduction of millage.

(8) The property appraiser shall deliver to the presiding officer of each taxing authority within the county, on June 1, an estimate of the total assessed value of nonexempt property for the current year for budget planning purposes.

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(9) Multicounty taxing authorities are subject to the provisions of this section. The term "taxable value" means the taxable value of all property subject to taxation by the authority. If a multicounty taxing authority has not received a certification pursuant to subsection (1) from a county by July 15, it shall compute its proposed millage rate and rolled-back rate based upon estimates of taxable value supplied by the Department of Revenue. All dates for public hearings and advertisements specified in this section shall, with respect to multicounty taxing authorities, be computed as though certification of value pursuant to subsection (1) were made July 1. The multicounty district shall add the following sentence to the advertisement set forth in paragraphs (3)(a) and (g): This tax increase is applicable to (name of county or counties).

(10)(a) In addition to the notice required in subsection (3), a district school board shall publish a second notice of intent to levy additional taxes under s. 1011.71(2). Such notice shall specify the projects or number of school buses anticipated to be funded by such additional taxes and shall be published in the size, within the time periods, adjacent to, and in substantial conformity with the advertisement required under subsection (3). The projects shall be listed in priority within each category as follows: construction and remodeling; maintenance, renovation, and repair; motor vehicle purchases; new and replacement equipment; payments for educational facilities and sites due under a lease-purchase agreement; payments for renting and leasing educational facilities and sites; payments of loans approved pursuant to ss. 1011.14 and 1011.15; payment of costs of compliance with environmental statutes and regulations; payment of premiums for property and casualty insurance necessary to insure the educational and ancillary plants of the school district; payment of costs of leasing relocatable educational facilities; and payments to private entities to offset the cost of school buses pursuant to s. 1011.71(2)(i). The additional notice shall be in the following form, except that if the district school board is proposing to levy the same millage under s. 1011.71(2) which it levied in the prior year, the words "continue to" shall be inserted before the word "impose" in the first sentence, and except that the second sentence of the second paragraph shall be deleted if the district is advertising pursuant to paragraph (3)(e):

NOTICE OF TAX FOR SCHOOL
CAPITAL OUTLAY

The (name of school district) will soon consider a measure to impose a (number) mill property tax for the capital outlay projects listed herein.

This tax is in addition to the school board's proposed tax of (number) mills for operating expenses and is proposed solely at the discretion of the school board. THE PROPOSED COMBINED SCHOOL BOARD TAX INCREASE FOR BOTH OPERATING EXPENSES AND CAPITAL OUTLAY IS SHOWN IN THE ADJACENT NOTICE.

The capital outlay tax will generate approximately $ (amount), to be used for the following projects:

(list of capital outlay projects)

All concerned citizens are invited to a public hearing to be held on (date and time) at (meeting place).

A DECISION on the proposed CAPITAL OUTLAY TAXES will be made at this hearing.

(b) In the event a school district needs to amend the list of capital outlay projects previously advertised and adopted, a notice of intent to amend the notice of tax for school capital outlay shall be published in conformity with the advertisement required in subsection (3). A public hearing to adopt the amended project list shall be held not less than 2 days nor more than 5 days after the day the advertisement is first published. The projects should be listed under each category of new, amended, or deleted projects in the same order as required in

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paragraph (a). The notice shall appear in the following form, except that any of the categories of new, amended, or deleted projects may be omitted if not appropriate for the changes proposed:

AMENDED NOTICE OF TAX FOR

SCHOOL CAPITAL OUTLAY

The School Board of (name) County will soon consider a measure to amend the use of property tax for the capital outlay projects previously advertised for the (year) to (year) school year.

New projects to be funded:

(list of capital outlay projects)

Amended projects to be funded:

(list of capital outlay projects)

Projects to be deleted:

(list of capital outlay projects)

All concerned citizens are invited to a public hearing to be held on (date and time) at (meeting place).

A DECISION on the proposed amendment to the projects funded from CAPITAL OUTLAY TAXES will be made at this meeting.

(11) Notwithstanding the provisions of paragraph (2)(b) and s. 200.069(4)(c) to the contrary, the proposed millage rates provided to the property appraiser by the taxing authority, except for millage rates adopted by referendum, for rates authorized by s. 1011.71, and for rates required by law to be in a specified millage amount, shall be adjusted in the event that a review notice is issued pursuant to s. 193.1142(4) and the taxable value on the approved roll is at variance with the taxable value certified pursuant to subsection (1). The adjustment shall be made by the property appraiser, who shall notify the taxing authorities affected by the adjustment within 5 days of the date the roll is approved pursuant to s. 193.1142(4). The adjustment shall be such as to provide for no change in the dollar amount of taxes levied from that initially proposed by the taxing authority.

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(12) The time periods specified in this section shall be determined by using the date of certification of value pursuant to subsection (1) or July 1, whichever date is later, as day 1. The time periods shall be considered directory and may be shortened, provided:

(a) No public hearing which is preceded by a mailed notice occurs earlier than 10 days following the mailing of such notice;

(b) Any public hearing preceded by a newspaper advertisement is held not less than 2 days or more than 5 days following publication of such advertisement; and

(c) The property appraiser coordinates such shortening of time periods and gives written notice to all affected taxing authorities; however, no taxing authority shall be denied its right to the full time periods allowed in this section.

(13)(a) Any taxing authority in violation of this section, other than subsection (5), shall be subject to forfeiture of state funds otherwise available to it for the 12 months following a determination of noncompliance by the Department of Revenue.

(b) Within 30 days of the deadline for certification of compliance required by s. 200.068, the department shall notify any taxing authority in violation of this section, other than subsection (5), that it is subject to paragraph (c). Except for revenues from voted levies or levies imposed pursuant to s. 1011.60(6), the revenues of any taxing authority in violation of this section, other than subsection (5), collected in excess of the rolled-back rate shall be held in escrow until the process required by paragraph (c) is completed and approved by the department. The department shall direct the tax collector to so hold such funds.

(c) Any taxing authority so noticed by the department shall repeat the hearing and notice process required by paragraph (2)(d), except that:

1. The advertisement shall appear within 15 days of notice from the department.

2. The advertisement, in addition to meeting the requirements of subsection (3), shall contain the following statement in boldfaced type immediately after the heading:

THE PREVIOUS NOTICE PLACED BY THE (name of taxing authority) HAS BEEN DETERMINED BY THE DEPARTMENT OF REVENUE TO BE IN VIOLATION OF THE LAW, NECESSITATING THIS SECOND NOTICE.

3. The millage newly adopted at this hearing shall not be forwarded to the tax collector or property appraiser and may not exceed the rate previously adopted.

4. If the newly adopted millage is less than the amount previously forwarded pursuant to subsection (4), any moneys collected in excess of the new levy shall be held in reserve until the subsequent fiscal year and shall then be utilized to reduce ad valorem taxes otherwise necessary.

(d) If any county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county is in violation of subsection (5), s. 200.185, or s. 200.186 because total county or municipal ad valorem taxes exceeded the maximum total county or municipal ad valorem taxes, respectively, that county or municipality shall forfeit the distribution of local government half-cent sales tax revenues during the 12 months following a determination of noncompliance by the Department of Revenue as described in s. 218.63(3) and this subsection. If the executive director of the Department of Revenue determines that any county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county is in violation of subsection (5), s. 200.185, or s. 200.186, the Department of Revenue and the county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county shall follow the procedures set forth in this paragraph or paragraph (e). During the pendency of any procedure under paragraph (e) or any administrative or judicial action to challenge any action taken under this subsection, the tax collector shall hold in escrow any revenues collected by the noncomplying county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county in excess

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of the amount allowed by subsection (5), s. 200.185, or s. 200.186, as determined by the executive director. Such revenues shall be held in escrow until the process required by paragraph (e) is completed and approved by the department. The department shall direct the tax collector to so hold such funds. If the county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county remedies the noncompliance, any moneys collected in excess of the new levy or in excess of the amount allowed by subsection (5), s. 200.185, or s. 200.186 shall be held in reserve until the subsequent fiscal year and shall then be used to reduce ad valorem taxes otherwise necessary. If the county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county does not remedy the noncompliance, the provisions of s. 218.63 shall apply.

(e) The following procedures shall be followed when the executive director notifies any county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county that he or she has determined that such taxing authority is in violation of subsection (5), s. 200.185, or s. 200.186:

1. Within 30 days after the deadline for certification of compliance required by s. 200.068, the executive director shall notify any such county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county of his or her determination regarding subsection (5), s. 200.185, or s. 200.186 and that such taxing authority is subject to subparagraph 2.

2. Any taxing authority so noticed by the executive director shall repeat the hearing and notice process required by paragraph (2)(d), except that:

a. The advertisement shall appear within 15 days after notice from the executive director.

b. The advertisement, in addition to meeting the requirements of subsection (3), must contain the following statement in boldfaced type immediately after the heading:

THE PREVIOUS NOTICE PLACED BY THE (name of taxing authority) HAS BEEN DETERMINED BY THE DEPARTMENT OF REVENUE TO BE IN VIOLATION OF THE LAW, NECESSITATING THIS SECOND NOTICE.

c. The millage newly adopted at such hearing shall not be forwarded to the tax collector or property appraiser and may not exceed the rate previously adopted or the amount allowed by subsection (5), s. 200.185, or s. 200.186. Each taxing authority provided notice pursuant to this paragraph shall recertify compliance with this chapter as provided in this section within 15 days after the adoption of a millage at such hearing.

d. The determination of the executive director shall be superseded if the executive director determines that the county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county has remedied the noncompliance. Such noncompliance shall be determined to be remedied if any such taxing authority provided notice by the executive director pursuant to this paragraph adopts a new millage that does not exceed the maximum millage allowed for such taxing authority under paragraph (5)(a), s. 200.185(1)-(5), or s. 200.186(1), or if any such county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county adopts a lower millage sufficient to reduce the total taxes levied such that total taxes levied do not exceed the maximum as provided in paragraph (5)(b), s. 200.185(8), or s. 200.186(3).

e. If any such county or municipality, dependent special district of such county or municipality, or municipal service taxing unit of such county has not remedied the noncompliance or recertified compliance with this chapter as provided in this paragraph, and the executive director determines that the noncompliance has not been remedied or compliance has not been recertified, the county or municipality shall forfeit the distribution of local government half-cent sales tax revenues during the 12 months following a determination of noncompliance by the Department of Revenue as described in s. 218.63(2) and (3) and this subsection.

f. The determination of the executive director is not subject to chapter 120.

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(14)(a) If the notice of proposed property taxes mailed to taxpayers under this section contains an error, the property appraiser, in lieu of mailing a corrected notice to all taxpayers, may correct the error by mailing a short form of the notice to those taxpayers affected by the error and its correction. The notice shall be prepared by the property appraiser at the expense of the taxing authority which caused the error or at the property appraiser's expense if he or she caused the error. The form of the notice must be approved by the executive director of the Department of Revenue or the executive director's designee. If the error involves only the date and time of the public hearings required by this section, the property appraiser, with the permission of the taxing authority affected by the error, may correct the error by advertising the corrected information in a newspaper of general circulation in the county as provided in subsection (3).

(b) Errors that may be corrected in this manner are:

1. Incorrect location, time, or date of a public hearing.

2. Incorrect assessed, exempt, or taxable value.

3. Incorrect amount of taxes as reflected in column one, column two, or column three of the notice; and

4. Any other error as approved by the executive director of the Department of Revenue or the executive director's designee.

(15) The provisions of this section shall apply to all taxing authorities in this state which levy ad valorem taxes, and shall control over any special law which is inconsistent or in conflict with this section, except to the extent the special law expressly exempts a taxing authority from the provisions of this section. This subsection is a clarification of existing law, and in the absence of such express exemption, no past or future budget or levy of taxes shall be set aside upon the ground that the taxing authority failed to comply with any special law prescribing a schedule or procedure for such adoption which is inconsistent or in conflict with the provisions of this section.

**History.**--s. 13, ch. 73-172; s. 16, ch. 74-234; ss. 1, 2, ch. 75-68; s. 19, ch. 76-133; s. 1, ch. 77-102; s. 1, ch. 77-174; s. 1, ch. 78-228; ss. 2, 9, ch. 80-261; s. 25, ch. 80-274; s. 14, ch. 82-154; s. 12, ch. 82-208; ss. 4, 11, 25, 72, 80, ch. 82-226; s. 5, ch. 82-388; s. 2, ch. 82-399; s. 28, ch. 83-204; s. 61, ch. 83-217; s. 2, ch. 84-164; s. 20, ch. 84-356; s. 1, ch. 86-190; s. 12, ch. 86-300; s. 5, ch. 87-284; s. 13, ch. 88-216; s. 2, ch. 88-223; s. 14, ch. 90-241; ss. 136, 165, ch. 91-112; s. 8, ch. 91-295; s. 1, ch. 92-163; ss. 5, 15, ch. 93-132; s. 25, ch. 93-233; s. 1, ch. 93-241; s. 52, ch. 94-232; s. 4, ch. 94-344; s. 41, ch. 94-353; s. 1481, ch. 95-147; s. 2, ch. 95-359; ss. 1, 2, 3, ch. 96-211; s. 1, ch. 98-32; s. 1, ch. 98-53; s. 18, ch. 99-6; s. 11, ch. 2002-18; s. 911, ch. 2002-387; s. 2, ch. 2004-346; s. 3, ch. 2007-194; ss. 2, 33, ch. 2007-321.

[1]**Note.**--

A. Section 9, ch. 2007-321, provides that "[t]he executive director of the Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under ss. 120.536(1) and 120.54(4), Florida Statutes, for the purpose of implementing this act. Notwithstanding any other provision of law, such emergency rules shall remain in effect for 18 months after the date of adoption and may be renewed during the pendency of procedures to adopt rules addressing the subject of the emergency rules."

B. Section 10, ch. 2007-321, provides that "[t]o the extent that the deadlines and timeframes in current law are inconsistent with implementing the requirements of this act, the executive director of the Department of Revenue may extend the time periods specified by statute or rule for the local government millage and budget adoption process for the 2007 calendar year. The executive director of the Department of Revenue may grant such extensions at his or her own initiation or at the written request of a local government. Such extensions may not exceed 21 calendar days."

# Florida Statutes - Chapter 200.068

## FLORIDA STATUTES – CHAPTER 200.068
## TAXATION AND FINANCE

**200.068 Certification of compliance with this chapter.**--Not later than 30 days following adoption of an ordinance or resolution establishing a property tax levy, each taxing authority shall certify compliance with the provisions of this chapter to the Department of Revenue. In addition to a statement of compliance, such certification shall include a copy of the ordinance or resolution so adopted; a copy of the certification of value showing rolled-back millage and proposed millage rates, as provided to the property appraiser pursuant to s. 200.065(1) and (2)(b); maximum millage rates calculated pursuant to s. 200.065(5), s. 200.185, or s. 200.186, together with values and calculations upon which the maximum millage rates are based; and a certified copy of the advertisement, as published pursuant to s. 200.065(3). In certifying compliance, the governing body of the county shall also include a certified copy of the notice required under s. 194.037. However, if the value adjustment board completes its hearings after the deadline for certification under this section, the county shall submit such copy to the department not later than 30 days following completion of such hearings.

**History.**--s. 6, ch. 82-226; s. 30, ch. 83-204; s. 166, ch. 91-112; ss. 7, 21, ch. 95-272; s. 7, ch. 97-287; s. 3, ch. 2007-321.

## BASIS OF BUDGETING AND REQUIREMENTS

The legal basis for the preparation, adoption, and execution of the county budget is set forth in Chapter 129, Florida Statutes. Legally adopted budgets are required for the governmental funds (i.e. the general fund, special revenue funds, debt service funds and capital projects funds). Section 129.01(1), Florida Statutes requires that budgets be adopted on a basis consistent with generally accepted accounting principles. Accordingly, the budgets for the general fund, special revenue funds, debt service funds and capital projects funds have been adopted on the modified accrual basis of accounting. Under this approach, revenues are recognized in the accounting period in which they become measurable and available as net current assets. Expenditures are recognized in the accounting period in which goods or services are received and the liability is incurred.

Although there is no legal budget requirement for the preparation, adoption, and execution of budgets for the proprietary funds (i.e. the enterprise funds and internal service funds), in the interest of consistency, budgets are prepared for those funds, also on the modified accrual basis of accounting. However, pursuant to generally accepted accounting principles, the enterprise funds and the internal service funds are accounted for on the full accrual basis of accounting. Under this approach, revenues are recognized when they are earned and expenses are recognized when they are incurred. Budget to actual comparisons are not included for financial statement presentation purposes for any of the proprietary funds.

In addition to the requirement set forth in Chapter 129 that budgets be adopted in conformity with generally accepted accounting principles, there are a number of additional requirements. The adopted budget for each of the various funds must be balanced with revenues equaling appropriations. However, no more than 95 percent of all revenues reasonably anticipated from all sources, including taxes to be levied, may be budgeted. 100% of the estimated balances to be brought forward at the beginning of the fiscal year may be budgeted.

On the appropriations side, Chapter 129 permits the creation of the following reserves:

1. A reserve for contingencies in a sum not to exceed 10 percent of the total of the budget.

2. A reserve for cash balance to be carried over for the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when the revenues for that year are expected to be available. This reserve may be not more than 20 percent of the total receipts and balances of the budget; provided that for the debt service funds, this reserve may be not more than the total maturities of debt (both principal and interest) that will occur during the ensuing fiscal year, plus the sinking fund requirements, computed on a straight-line basis, for any outstanding obligations to be paid from the fund.

3. A reserve for debt service which may not be greater than the total maturities of debt (both principal and interest) that will occur during the ensuing fiscal year, plus the sinking fund requirements, computed on a straight-line basis, for any outstanding obligations to be paid from the fund.

4. A reserve for future construction and improvements

**Flagler County Board of County Commissioners**
**FY 2011-2012**
**Budget Process Highlights**

## Preparation

January

- Budget Workshop with the Board to set direction, and establish assumptions for fiscal year
- Capital Improvement Plan and Operating Budget Kickoffs
- Budget Information Training

February

- Budget training classes
- Departmental preparation of budgets (including Capital Improvement Budgets) and Five Year Capital Improvement Plan requests.

March

- All departments submit Operating Budgets (Including Capital Improvement Budgets) and Five Year Capital Improvement Plan requests.

## Review

- Begin budget reviews with Department Directors

April-May

- Administrative budget reviews with County Administrator
- Debt Workshop with Board of County Commissioners

June

- Budget submissions due from Constitutional Officers (including Capital Improvement budgets and Five Year Capital Improvement Plan)
- Receive Preliminary Tax Roll Information from Property Appraiser's Office
- Budget Workshops with the Board regarding the Tenative Budget
- Tenative Budget Public Hearing

## Adoption

July

Submit County Administrator's Recommended Budget to the Board

- Receive Certified Tax Roll from Property Appraiser's Office
- Budget Reconciliation Workshops with the Board, Certification of Tenative Millage rates, and set public hearing dates

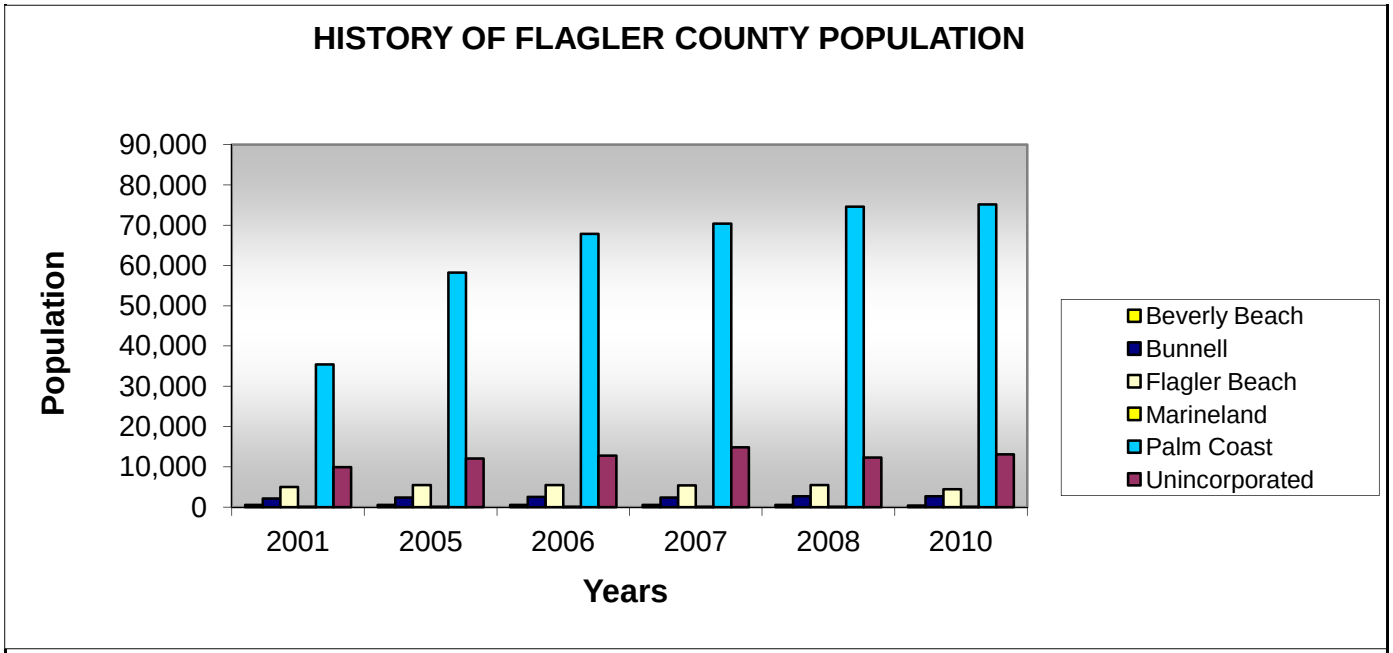
August

- Mail Special Assessment Notices
- Final Public Hearing to adopt Special Assessment Rates & Rolls

September

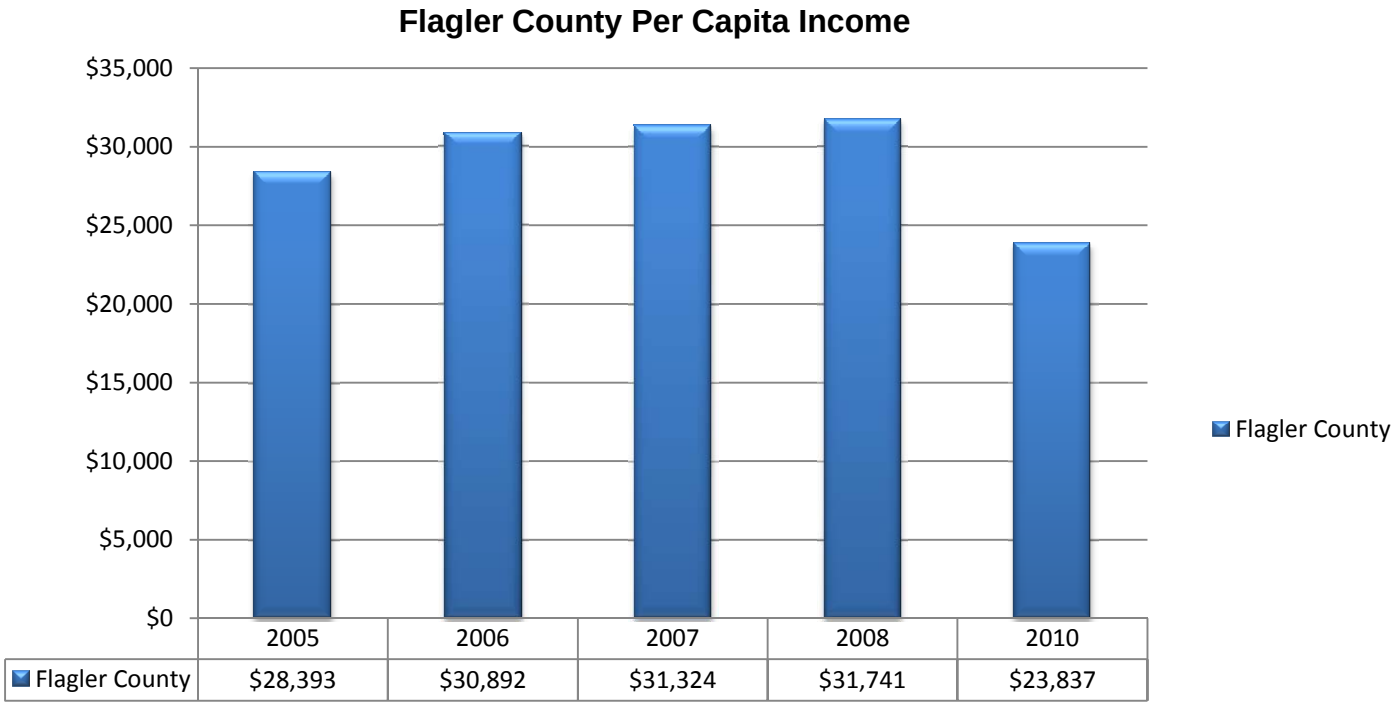
- First Public Hearing to Adopt Tenative Millage Rates and the Budget in accordance with the Truth In Millage (TRIM) requirements

- Second and Final Public Hearing to Adopt the Final Millage Rates and the Budget for the Fiscal Year in accordance with the Truth In Millage (TRIM) Requirements, and adoption of the Five Year Capital Improvement Plan.




| | 2001 | 2005 | 2006 | 2007 | 2008 | 2010 |
|---|---|---|---|---|---|---|
| **Beverly Beach** | 543 | 529 | 513 | 509 | 517 | 338 |
| **Bunnell** | 2,131 | 2,361 | 2,513 | 2,394 | 2,648 | 2,676 |
| **Flagler Beach** | 5,021 | 5,434 | 5,457 | 5,401 | 5,444 | 4,424 |
| **Marineland** | 6 | 9 | 9 | 9 | 9 | 16 |
| **Palm Coast** | 35,443 | 58,216 | 67,832 | 70,376 | 74,590 | 75,180 |
| **Unincorporated** | 9,917 | 12,068 | 12,751 | 14,879 | 12,304 | 13,062 |

*Source: University of Florida, Bureau of Economic and Business Research*




| | 2005 | 2006 | 2007 | 2008 | 2010 |
|---|---|---|---|---|---|
| Flagler County | $28,393 | $30,892 | $31,324 | $31,741 | $23,837 |

## Major Private Sector Employers

| Employer | No. of Employees |
|---|---|
| Palm Coast Data, Inc. | 1,100 |
| Florida Hospital Flagler | 900 |
| Publix Supermarkets | 560 |
| Hammock Beach Resort | 475 |
| Walmart | 425 |
| Sea Ray Boats | 375 |
| Red Lobster/Olive Garden | 207 |

# Glossary of Terms & Acronyms

**Flagler County Board of County Commissioners**
**FY 2011-2012**

## GLOSSARY OF TERMS & ACRONYMS

**ABBREVIATIONS/ACRONYMS:** List of abbreviations and acronyms follows Glossary.

**ACTIVITY:** Sub-organizational unit of a Division established to provide specialized service to citizens.

**ACCOUNTING SYSTEM:** A system of financial record-keeping that records, classifies, and reports information on the financial status and operation of an organization.

**ACCRUAL BASIS:** A method of accounting in which transactions are recognized when they occur, regardless of when cash is actually exchanged.

**ACCRUED EXPENDITURES:** Charges incurred by a recipient during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, sub-recipients, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required.

**ACCRUED INCOME:** Sum of: (1) earnings during a given period from (i) services performed by the recipient, and (ii) goods and other tangible property delivered to purchasers; and (2) amounts becoming owed to the recipient for which no current services or performance is required by the recipient.

**ACQUISITION COST OF EQUIPMENT:** Net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

**AD VALOREM TAX:** The primary source of revenue for the County. A tax levied on the assessed value (net of the exemption) of real or personal property. This is commonly referred to as "Property Tax." The Property Appraiser determines the value of all taxable real property.

**ADOPTED BUDGET:** The financial plan of revenues and expenditures as approved by the Board of County Commissioners at the beginning of the fiscal year.

**ADVANCE PAYMENT:** A payment made to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules.

**ADVISORY COMMITTEE:** A citizen's board, or commission, appointed by the County Commissioners to review and recommend policies for specific programs and functional areas, such as Tourist Development, Libraries, Parks & Recreation and special service districts like the Daytona North Service District in Flagler County.

**AGENCY:** A principal unit of the county government or a governmental unit outside the county government which receives county funding.

**AGGREGATE MILLAGE RATE:** A weighted average millage rate for the tax-supported funds including County-wide municipal services taxing funds. Voted debt service millages are not included in the aggregate millage.

**Flagler County Board of County Commissioners**
**FY 2011-2012**

## GLOSSARY OF TERMS & ACRONYMS

**AMENDMENT:** A change to an adopted budget that may increase or decrease a fund total. The change must be approved by the Board of County Commissioners.

**AMENDMENT 10 VALUE CAP:** The amount homesteaded properties can increase since Amendment 10 was implemented (Save Our Homes).

**AMORTIZATION:** The payment of an obligation in a series of installments or transfers or the reduction of the value of an asset by prorating its cost over a number of years.

**APPLICATION PACKAGE:** A group of specific forms and documents for a specific funding opportunity which are used to apply for a grant.

**APPROPRIATION:** An authorization by the County Commission to make expenditures and incur obligations from County funds for purposes approved by the Commission.

**ASSESSED VALUATION:** A value established by the County Property Appraiser for real or personal property for the use as a basis for levying property taxes.

**ASSET:** Resources owned or held by a government which has monetary value.

**AUDIT:** A review of the County's accounting system to ensure that financial records are accurate and in compliance with all legal requirements for handling of public funds, including state law.

**AWARD:** Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the Federal Government to an eligible recipient.

**BALANCED BUDGET:** A financial plan for the operation of a program or organization for a specified period of time (fiscal year) that matches anticipated revenue with proposed expenditures. A budget in which the income equals expenditures.

**BASE BUDGET:** The amount programmed in the budget year for conducting the same program and performing the same services as are planned for the current year. Normally, the only differences between the current-year budget and the base budget are costs that cannot be avoided such as salary increases for existing personnel. All other costs are budgeted as service level adjustments.

**BOARD OF COUNTY COMMISSIONERS:** The governing body of Flagler County composed of five persons elected County-wide from districts.

**BOND:** A written promise to pay a sum of money at a specific date (called a maturity date) together with periodic interest detailed in a bond resolution.

**BOND FUNDS:** The revenues derived from issuance of bonds used to finance capital projects.

**BUDGET:** A financial plan for a specified period of time (fiscal year) that matches proposed expenditures with anticipated revenues.

**Flagler County Board of County Commissioners**
**FY 2011-2012**

## GLOSSARY OF TERMS & ACRONYMS

**BUDGET ADJUSTMENT:** A revision to the adopted budget occurring during the effective fiscal year as approved by the Board of County Commissioners via an amendment or transfer.

**BUDGET CALENDAR:** The schedule of key dates involved in the process of adopting and executing the annual budget.

**BUDGET HEARING:** The public hearing conducted by the Board of County Commissioners to consider and adopt an annual budget.

**BUDGET MESSAGE:** A brief, written statement presented by the County Administrator to explain principal budget issues and to provide policy recommendations to the Board of County Commissioners.

**CAPITAL IMPROVEMENT PLAN:** A document that identifies the costs, scheduling, and funding of various large capital items; i.e., buildings, roads, bridges, water and sewer systems. The plan should identify costs associated with existing deficiencies versus capacity available for growth.

**CAPITAL OUTLAY:** Appropriations for the acquisition or construction of physical assets with a life expectancy greater than one year and a cost greater than $1,000.

**CASH AND CASH EQUIVALENTS:** The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments, including restricted assets, with original maturities of three months or less from acquisition date.

**CASH BASIS:** Method that recognizes revenues when cash is received and recognizes expenses when cash is paid out. In contrast, the accrual method recognizes revenues when goods or services are sold and recognizes expenses when obligations are incurred.

**CERTIFICATES OF PARTICIPATION (COPs):** Certificates issued by a Trustee pursuant to a Trust Agreement, the proceeds from the sale of which shall be used to finance the acquisition, construction and installation of a project.

**CHART OF ACCOUNTS:** A systematic structure for classifying similar financial transactions of the County.

**CLOSEOUT:** Process by which the awarding grant agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and the awarding agency.

**COMMUNITY DEVELOPMENT BLOCK GRANT:** A flexible Federal entitlement program used to provide communities with resources to address a wide range of unique community development needs (CDBG).

**CONSTITUTIONAL OFFICERS:** Elected officials that are funded in part or in total by the Board of County Commissioners, but maintain autonomy of their own offices. The constitutional officers are the Clerk of the Circuit Court, the Property Appraiser, the Tax Collector, the Supervisor of Elections and the Sheriff.

**CONSUMER PRICE INDEX (CPI):** Measures the prices of consumer goods and is a measure of U.S. Inflation. The U.S. Department of Labor publishes the Consumer Price Index every month.

## GLOSSARY OF TERMS & ACRONYMS

**CONTINGENCIES:** A budgetary reserve to provide for an emergency or unanticipated expenditure during the fiscal year. OR- An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as federal mandates, short-falls in revenue and unanticipated expenditures.

**CONTINUATION LEVEL BUDGET:** The level of funding which enables an organization to provide the same amount of services in the following fiscal year as the organization provides in the current fiscal year. Continuation level budgets should not include any inflationary increases unless specific rate increases have been established and approved as assumptions for the following year(s). A continuation level budget does not necessarily provide funding for growth in demand of services.

**CONTRACTUAL SERVICE:** A service rendered to the County by private firms, individuals or other County departments on a contract basis.

**COOPERATIVE AGREEMENT:** An award of financial assistance that is used to enter into the same kind of relationship as a grant; and is distinguished from a grant in that it provides for substantial involvement between the Federal agency and the recipient in carrying out the activity contemplated by the award.

**COST ALLOCATION:** The method used to charge non-general fund operations for their share of central administrative costs.

**COST SHARING OR MATCHING:** The portion of project or program costs of a grant not borne by the Federal Government.

**COUNTY ADMINISTRATOR**: The Chief Executive Officer of the County, appointed by the Board of County Commissioners.

**DEBT SERVICE:** Payment of interest and principal on an obligation resulting from the issuance of bonds or other financing.

**DECISION UNITS:** Groups of inputs which make a measurable contribution to the achievement of an established department purpose-a purpose often dictated by law and/or defined by objectives and measured by service levels or units of output. Decision units build department budgets. They are rank ordered in a hierarchical format.

**DEPARTMENT:** A basic organizational unit of County government which is functionally unique in its service delivery and is comprised of more than one program.

**DEPRECIATION:** A decrease or loss of value of an item due to age, wear, or market conditions. Flagler County does not budget depreciation expense, but does budget for the related capital replacement during the year when the replacement or expenditure occurs.

**DEFICIT:** The excess of expenditures over revenues during the fiscal year.

**DESIRED LEVEL BUDGET:** The level of funding which enables an organization to provide additional or enhanced services in the following fiscal year as the organization provides in the current fiscal year. Desired level budgets may include new initiatives or additional positions for growth or increased demand for services.

**DISCRETIONARY GRANT:** A grant (or cooperative agreement) for which the Federal awarding agency generally may select the recipient from among all eligible recipients, may decide to make or not make an award based on the programmatic, technical, or scientific content of an application, and can decide the amount of funding to be awarded.

**Flagler County Board of County Commissioners**
**FY 2011-2012**

## GLOSSARY OF TERMS & ACRONYMS

**DIVISION:** A basic organizational unit of the County that is functionally unique in its service delivery.

**ENCUMBRANCE:** An obligation in the form of a purchase order, contract, or formal agreement which is chargeable to an appropriation and for which a part of the appropriation is reserved. The obligation ceases to be an encumbrance when the obligation is paid.

**ENTERPRISE FUND:** A fund that pays for its costs of operations from user fees and does not generally receive property tax support. County enterprise funds include the Airport, Solid Waste/Landfill, Transportation and Utility Services.

**EXEMPT, EXEMPTION, NONEXEMPT:** Amounts determined by state law to be deducted from the assessed value of property for tax purposes. Tax rates are applied to the balance; amounts remaining are called the nonexempt portion of the assessment. A 1980 amendment to the Florida Constitution sets the exemptions for homestead at $25,000. That means that a homeowner with property assessed at $50,000 would have to pay taxes on $25,000 of the assessment. Newly eligible homeowners must apply for exemption by March 1. Other exemptions apply to agricultural land and property owned by widows, the blind and permanently and totally disabled people who must meet income requirements.

**EXPENDITURE:** Decrease in fund financial resources for the procurement of assets or the cost of goods and/or services received.

**FINAL MILLAGE:** The tax rate adopted in the final public budget hearing of a taxing authority.

**FISCAL YEAR:** The annual budget period for the County, which runs from October 1 through September 30.

**FIXED ASSETS:** Assets of a long-term character, which are intended to continue to be held or used (land, buildings, improvements other than buildings, and machinery and equipment).

**FRANCHISE FEE:** Fees levied on a corporation in return for granting a privilege, sanctioning a monopoly, or permitting the use of public property, usually subject to regulation.

**FRINGE BENEFITS:** Payments made by the County for retirement, social security, health insurance contribution, workers' compensation, general liability, and life insurance.

**FULL TIME EQUIVALENT:** FTE-One position funded for a full year. For example, a permanent employee funded and paid for 40 hours/week and 52 weeks/year or 2 employees funded and paid for 20 hours/week and 52 weeks/year would be equal to one full-time equivalent.

**FUND:** Money set aside and accounted for separately in order to ensure that the money is spent for a specific purpose.

**FUND BALANCE:** The amount available within a fund at the close of a fiscal period that can be carried over as a source of available funding for the succeeding fiscal period. The excess of assets (or revenue) over liabilities (or expenditures) of a government's funds.

## GLOSSARY OF TERMS & ACRONYMS

**GAAFR:** (Governmental Accounting, Auditing and Financial Reporting) – The "blue book" published by the Municipal Finance Officers Association (now the Governmental Finance Officers Association) to provide detailed guidance for the application of accounting principles for governments.

**GAAP:** (Generally Accepted Accounting Principles) – The uniform standards established for financial accounting and reporting, which are different for government than for business.

**GENERAL FUND:** The governmental accounting fund supported by ad valorem (property) taxes, licenses and permits, service charges and other general revenue to provide County-wide operating services. This may be referred to as the operating fund.

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

**GOAL:** A long, or short-term, attainable target for an organization-its vision of the future.

**GOVERNMENTAL FUNDS:** The category of funds, which include general, special revenue, capital project, and debt service. These funds account for short-term activities and are often compared to the budget.

**GRANT:** A contribution of assets (usually cash) by one governmental unit or organization to another, given for a specified purpose.

**HOMESTEAD EXEMPTION:** A statewide exemption that is a deduction from the total taxable assessed value of owner occupied property. The current exemption is $50,000.

**IMPACT FEE:** A fee to fund the anticipated cost of new development's impact on various County services as a result of growth. This fee, such as for water and sewer or fire services, is charged to those responsible for the new development.

**IMPROVEMENTS OTHER THAN BUILDINGS:** Attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers.

**INDIRECT COSTS:** Costs associated with, but not directly attributable to, the providing of a product or service. These are usually costs incurred by service departments in the support of operating departments.

**INFLATIONARY INCREASE:** An increase in the cost of a project due to the rising cost of materials and labor.

**INFRASTRUCTURE:** Permanent installation, such as roads and bridges, schools, and water and sewer systems, on which the continuance and growth of the County depends.

**INTEREST INCOME:** Revenues earned on cash balances within each fund.

## GLOSSARY OF TERMS & ACRONYMS

**INTERFUND ACTIVITY:** Interfund activity within and among the County's three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and non-reciprocal interfund activity.

**INTERFUND TRANSFERS:** Budgeted amounts transferred from one fund to another fund. These represent "double counting" of expenditures. Therefore, these amounts are deducted from the total County operating budget to calculate the "net" budget.

**INTERLOCAL AGREEMENT:** A written agreement between the County and other units of government to share in similar services, projects, emergency assistance, support, funding, etc., to the mutual benefit of all parties.

**INTERNAL SERVICE FUND:** A fund established for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

**INTERNAL SERVICE:** The revenues and expenses that are generated through internal service funds. The main internal service fund is the County's Insurance Fund.

**INVENTORY:** Inventory of proprietary funds is valued at the lower cost (first-in, first-out) or market. Inventory of the special revenue funds is valued at cost, which approximates market value, using the first-in, first-out method. The cost of inventory of the special revenue funds is recorded as an expenditure when consumed, rather than when purchased. An off-setting reserve is reported to indicate that the asset is not available for appropriation or expenditure.

**JUST VALUE:** Florida Statute 193.011(1) defines just value as the present cash value of the property, which is the amount a willing purchaser would pay a willing seller, exclusive of reasonable fees and costs of purchase True Value of Property.

**LANDFILL CLOSURE COSTS:** The County recognizes municipal solid waste landfill closure and post closure care costs under the State of Florida's Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection Agency, and GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs." The County is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and post closure are recognized in the enterprise fund for the County's sanitary landfill operations over the active life of the landfill, based on capacity.

**LICENSE AND PERMIT FEES:** A charge for specific items as required and approved by local and state regulations, i.e., building permit, mobile home, etc.

**LEVY:** To impose taxes, special assessments or service charges. Another term used for millage rate.

**LINE ITEM BUDGET:** A budget that lists each account category separately along with the dollar amount budgeted for each account, such as office supplies, overtime, or capital purchases. A copy of the line item budget is available for review in the Financial Services Department.

**LONG-TERM DEBT:** Debt with a maturity of more than one year after the date of issuance.

## GLOSSARY OF TERMS & ACRONYMS

**MANDATE:** Any responsibility, action, or procedure that is imposed by one government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order, or that is required as a condition of aid.

**MANDATED PROGRAM:** A program that Flagler County must provide according to federal law, state law or a judge's order.

**MANDATORY GRANT:** A grant (or cooperative agreement) awarded under a program where the authorizing statute requires the head of the agency or designee to make an award to each eligible entity under the conditions and in the amount (or based on the formula) specified in the statute.

**MARKET EQUITY ADJUSTMENT:** (MEA) An annual adjustment in wages to offset a change (usually a loss) in purchasing power, as measured by the Consumer Price Index.

**MATCHING FUNDS:** A type of grant that requires the government organization or agency receiving the grant to commit a certain amount of funds to a program before funding is made available by the granting authority.

**MCLS:** Maintain the current level of service. This normally refers to a budget that reflects increases which do not

**MEASURABLE:** The time as which the amount a transaction or event can be determined.

**MILLAGE RATE:** The rate of taxation applied to the taxable value of property. One mill equals $1.00 for every $1,000 of taxable value.

**MINIMUM LEVEL OF SERVICE:** The level of resources and performance below which it is unreasonable to operate; based on demonstrated need, professional standards, impact on citizens, comparisons with similar jurisdictions, economy of scale, and past history.

**MISSION STATEMENT:** Statement of purpose that establishes the basis for the goals of the department by describing in broad terms what the department intends to accomplish during the budget year.

**MODIFIED ACCRUAL BASIS** A basis of accounting in which expenditures are accrued immediately upon becoming a liability, but revenues are accounted for on a cash basis.

**MUNICIPAL SERVICE BENEFIT UNIT** (MSBU) A specific area of the unincorporated County where a district is created by the Board of County Commissioners to assess costs (non ad valorem taxes) to provide municipal-type services. Example: Daytona North Service District.

**MUNICIPAL SERVICE TAXING UNIT** (MSTU) A specific area of the unincorporated County where a district is created by the Board of County Commissioners to levy a special millage (ad valorem tax) to provide municipal-type services.

**NET EXPENSES:** Total County expenses less reserves, transfers and internal service interfund transfers.

**NON-DEPARTMENTAL EXPENDITURES:** Expenditures which benefit all or several County departments, such as property and liability insurance.

## GLOSSARY OF TERMS & ACRONYMS

**NON-OPERATING BUDGET:** The capital budget and the internal services budget.

**NON-TAX REVENUE:** The revenue derived from non-tax sources, including licenses and permits, intergovernmental revenue, charges for service, fines and forfeitures, and various other miscellaneous revenue.

**OBJECT CODE:** An account to which an expense or expenditure is recorded in order to accumulate and categorize the various types of payments that are made by governments. These are normally grouped into personal services, operating expenditures, capital outlay and other categories for budgetary analysis and financial reporting purposes. Certain object codes are mandated by the State of Florida Uniform Accounting System.

**OBJECTIVE:** A specific measurable and observable result of an organization's activity that advances the organization towards its goal.

**OBLIGATIONS:** Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**OPERATING EXPENDITURES:** Also known as operating and maintenance costs, these are expenditures of day-to-day operations, such as office supplies, maintenance of equipment, and travel. Capital costs are excluded.

**ORDINANCE:** A formal legislative enactment by the County Commission. If it is not in conflict with any higher form of law, such as state statute or constitutional provision, it has the full force and effect of law within the boundaries of the county.

**OUTSIDE AGENCIES:** Private not-for-profit agencies located within the County who provide community services which supplement and support County programs and for which County dollars are made available.

**PERSONAL PROPERTY:** Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. Livestock, commercial equipment and furnishings, attachments to mobile homes, railroad cars, and similar possessions that are taxable under State law.

**PERSONAL PROPERTY TAX:** A tax assessed on all personal property (equipment) of business firms, mobile homes with permanent additions, and condominiums, if rented, within the County.

**PERSONAL SERVICES:** Expenditures for salaries, wages, and fringe benefits of a government's employees.

**POTABLE WATER:** Water that does not contain pollution, contamination, objectionable minerals, or infective agents and is considered satisfactory for domestic consumption (drinking water).

**PRINCIPAL:** The original amount borrowed through a loan, bond issue, or other form of debt.

**PROPERTY (AD VALOREM) TAXES:** A revenue which is collected on the basis of a rate applied to the taxable valuation of real property.

## GLOSSARY OF TERMS & ACRONYMS

**PROPOSED MILLAGE:** The tax rate certified by the governing body of each taxing authority within a fiscal year. The proposed millage is sent to the Property Appraiser within 35 days after the County's tax roll is certified. This proposed millage is placed on the proposed tax notice sent to property owners.

**PROPRIETARY FUND/AGENCY**: Commonly called "self-supporting" or "enterprise", these funds/agencies pay for all or most of their cost of operations from user fees and receive little or no general property tax support.

**PURCHASE ORDER:** A document issued to authorize a vendor to deliver specified merchandise or render a specified service for a stated estimated price. Outstanding purchase orders are called encumbrances.

**REAL PROPERTY:** Land, buildings and other structures attached to it that are taxable under Florida Law.

**RECIPIENT:** An organization receiving financial assistance directly from an awarding agency to carry out a project or program.

**REQUIREMENT:** A monetary obligation reflected in the financial accounts as an inter-fund transfer of cash from one fund to another.

**RESERVE:** An account used to indicate that a portion of the budget is legally restricted for a contingency or other lawful purpose and is therefore not available for general appropriation.

**RESTRICTED REVENUE:** A source of funds which is mandated by law or policy to be used for a specific purpose.

**RESOLUTION:** A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

**RESTRICTED CASH:** Restricted cash consists of cash held in escrow for the long term maintenance and care of sanitary landfills as required by Rule 62-701.630 (Financial Assurance) of the Florida Administrative Code.

**RETAINED EARNINGS:** An equity account reflecting the accumulated earnings of an Enterprise or Internal Services Fund.

**REVENUE:** The taxes, fees, charges, special assessments, grants, and other funds collected and received by the county in order to support the services provided.

**REVENUE BONDS:** A government-issued bond sold for construction of a capital project. Debt service requirements are met from the proceeds of a specific revenue source.

**REVENUE ESTIMATES:** A formal estimate of how much revenue will be earned from a specific revenue source for some future period, such as the next fiscal year.

**ROLLED-BACK MILLAGE RATE:** A tax rate that will generate the same tax dollar revenue as in the current fiscal year based on the new assessed value exclusive of new construction.

**SPECIAL ASSESSMENT:** A compulsory levy imposed on certain properties to defray part or all of the costs of a specific improvement or service deemed to primarily benefit those properties.

**SPECIAL REVENUE FUND:** A fund used to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

## GLOSSARY OF TERMS & ACRONYMS

**STATE HOUSING INITIATIVES PARTNERSHIP (SHIP):** A state entitlement program designed to foster public/private partnerships to create and preserve affordable housing.

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

**SURPLUS:** The difference between revenues received and expenditures made within the current fiscal year.

**TAX BASE:** The total property evaluations on which each taxing authority levies its tax rate.

**TAX INCREMENT FINANCING**: Financing secured by the anticipated incremental increases in tax revenues, resulting from the redevelopment of an area.

**TAX ROLL:** The certification of assessed taxable values prepared by the Property Appraiser and presented to a taxing authority by July 1 (or later if an extension is granted by the State of Florida) each year.

**TAX YEAR:** The calendar year in which ad valorem property taxes are levied to finance the ensuing fiscal year's budget. For example, the tax roll for January 1, 2008 would be used to compute an ad valorem tax levied effective October 1, 2008.

**TAXABLE VALUE:** The assessed value minus exemptions, such as the Homestead Exemption, is the taxable value. This value multiplied by the millage rate equals the property tax amount.

**TENTATIVE MILLAGE:** The tax rate adopted at the first public hearing of a taxing authority. Under state law, the authority may reduce, but not increase, the tentative millage during the final budget hearing without first providing written notification to all affected property owners.

**TRANSFER:** Transfers of cash or other resources between funds.

**TRIM:** The acronym for **TR**uth **I**n **M**illage defines a tax increase or decrease given the relationship of assessed values and millage rates. If the average assessed value increases, the millage rate should decrease (see Rolled-Back Millage Rate).

**TRUST FUND:** Funds used to account for assets held by a government for individuals, private organizations, other governments, and/or other funds.

**UNIFORM ACCOUNTING SYSTEM:** The chart of accounts prescribed by the Office of the State Comptroller designed to standardize financial information to facilitate comparison and evaluation of reports.

**UNINCORPORATED AREA:** Those areas of the County, which lie outside the boundaries of the cities.

**UNRESERVED FUND BALANCE:** The portion of a fund's balance that is not legally restricted for a specific purpose.

**UNRESTRICTED RESERVE:** Monies that can be used for any lawful expenditure supporting a wide variety of functions or objectives.

## GLOSSARY OF TERMS & ACRONYMS

**USER CHARGES (PROPRIETARY):** The payment of a fee for direct receipt of goods or services by the person benefiting from the services.

**VALUATION:** The dollar value of property assigned by the County Property Appraiser.

**VOTED MILLAGE:** A tax levied to support a program(s) that has been approved by voter referendum.

**WORKING CAPITAL:** Reserves kept on hand to ensure a positive cash flow.

**ZERO-BASE BUDGETING:** A method of detailed budget analysis and justification that combines elements of management by objectives and program evaluation. It is a vehicle to link management and planning to the budget process. Zero-Base Budgeting starts with an examination of an agency's basic programs and services by the lowest management level, and continues up the organization as funding packages are prioritized at each level in accordance with available resources and desired outcomes. It is a tool for objectively directing the allocation of funds among activities and programs. Its basis is the consideration of the efficiency and effectiveness of activities and programs.

**ADA** – Americans With Disabilities Act

**AIP –** Airport Improvement Program

**ALS** – Advanced Life Support

**CAFR** – Comprehensive Annual Financial Report

**CCR** – Central Contractor Registry

**CDBG** – Community Development Block Grant

**CERT** – Citizen's Emergency Response Team

**CFDA** – Catalog of Federal Domestic Assistance

**CIP** – Capital Improvement Program

**CPI** – Consumer Price Index

**CPR** – Cardio Pulmonary Resuscitation

**CRA** – Community Redevelopment Agency

**DEP** – Department of Environmental Protection

**DR 420/422** – Department of Revenue Forms Certifying Taxable Assessed Value

**E-911** – Emergency Telephone System

## GLOSSARY OF TERMS & ACRONYMS

**EEOC** – Equal Employment Opportunity Commission

**EFT** – Electronic Fund Transfer

**EMS** – Emergency Medical Services

**EMT** – Emergency Medical Technician

**EOC** – Emergency Operations Center

**FAA** – Federal Aviation Administration

**FASB** – Financial Accounting Standards Board

**FCPT** – Flagler County Public Transportation

**FDEP** – Florida Department of Environmental Protection

**FDER** – Florida Department of Environmental Regulation

**FDLE** – Florida Department of Law Enforcement

**FDOT** – Florida Department of Transportation

**FEMA** – Federal Emergency Management Administration

**FICA** – Federal Insurance Contributions Act (Medicare and Social Security taxes)

**FIND** – Florida Inland Navigational District

**FMLA** – Family Medical Leave Act

**FS** – Financial Services

**FY** – Fiscal Year

**FYE** – Fiscal Year End

**GA** – General Aviation

**GAAP** – Generally Accepted Accounting Principles

**GASB** – Governmental Accounting Standards Board

## GLOSSARY OF TERMS & ACRONYMS

**GFOA** – Government Finance Officers Association

**HAZMAT** – Hazardous Material

**HUD** – Housing and Urban Development

**HVAC** – Heating, Ventilation and Air Conditioning

**IT** – Information Technology

**LAP** – Local Agency Program

**LETF** – Law Enforcement Trust Fund

**MGD** – Million Gallons per Day

**MHz** – Megahertz radio frequency unit

**MSD** – Municipal Service District

**NPDES** – National Pollutant Discharge Elimination System

**OMB** – Office of Management & Budget

**OSHA** – Occupational Safety & Health Administration

**PAL** – Police Athletic League

**POC** – Point of Contact

**PSAP'**s – Public Safety Answering Points

**PSN** – Person With Special Needs

**RFP** – Request For Proposal

**RFQ** – Request For Quotes

**ROI** – Return On Investment

**ROW** – Right-of-Way

**SHIP** – State Housing Initiatives Partnerships

## GLOSSARY OF TERMS & ACRONYMS

**SJRWMD –** St. Johns River Water Management District

**TIF** – Tax Increment Financing

**TRIM** – Truth in Millage Law

**VA** – Veteran's Affairs

**VAB** – Value Adjustment Board

**WTP** – Water Treatment Plant

**WWTP** – Waste Water Treatment Plant

# Description of Funds and Account Groups

## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Governmental Fund Types - Governmental Funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the County's Governmental Fund Types:

**The General Fund is used to account for all revenues and expenditures applicable to the general operations of County Government which are not accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes. The County currently has the following forty-five special revenue funds:

Fine and Forfeiture (Fund 101) - Established pursuant to the provisions of Section 142.01, Florida Statutes, to account for expenditures related to the costs of criminal prosecutions and for the proceeds of certain court fines and costs. the Fine and Forfeiture Fund (Fund 101) created within the Board of County Commissioners funds was created to ensure compliance with the provisions of Section 142.01, Florida Statutes as that section existed prior to the legislative changes to implement the provisions of Article V of the Florida Constitution (i.e. prior to July 1, 2004). Based on the specific language contained in the 2003 edition of the Florida Statutes, subsequent to July 1, 2004, the purpose and entity responsible for the fine and forfeiture fund changed from the Board of County Commissioners to the Clerk of the Circuit Court.

County Transportation Trust Fund (Fund 102) - Created pursuant to the provisions of Section 129.02, Florida Statutes, to account for transportation related revenues and expenditures not more properly accounted for elsewhere. Major revenue sources include the local option gas tax, the county gas tax and the ninth cent fuel tax. The Public Works Department is the major activity funded from this fund.

Legal Aid Fund (Fund 105) – Created pursuant to the provisions of Section 939.185(1)(a)2, Florida Statutes, which requires “Twenty-five percent of the amount (of additional court costs and surcharges, not to exceed $65) collected shall be allocated to assist counties in providing legal aid programs required under s. 29.008(3)(a).” Section 29.008(3)(a), Florida Statutes provides “Legal aid programs, which shall be funded at a level equal to or greater than

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

the amount provided from filing fees and surcharges to legal aid programs from October 1, 2002, to September 30, 2003" "shall be considered a local requirement." The County contracts with Community Legal Services of Mid-Florida, Inc. for the provision of legal aid services.

Law Enforcement Trust (Fund 106) - Created pursuant to the provisions of Section 932.704, Florida Statutes, to account for the net proceeds from the sale or conversion of forfeited properties. Expenditures payable from this fund are legally restricted to nonrecurring obligations of the Sheriff's office, including equipment purchases. Although legally entitled as a trust fund, this fund is more properly accounted for as a special revenue fund due to the nature of the transactions recorded therein.

Law Library (Fund 107) – Created pursuant to the provisions of Section 939.185(1)(a)2, Florida Statutes, which requires "Twenty-five percent of the amount (of additional court costs and surcharges, not to exceed $65) collected shall be allocated to fund personnel and legal materials for the public as part of a law library.

Court Facilities (Fund 108) – Established pursuant to the provisions of § 318.18(13)(a), Florida Statutes, to account for the surcharge of thirty dollars ($30.00) assessed against each person who pays a fine or civil penalty for any violation of a non-criminal traffic infraction pursuant to Chapter 318, Florida Statutes and each person who pleads guilty or nolo contendere to, or is convicted of, regardless of adjudication, a violation of a noncriminal traffic infraction or a criminal violation of § 318.17, Florida Statutes. The clerk shall add this surcharge to all payments of fines and civil penalties for any violation of a noncriminal traffic infraction or a criminal violation of F.S. § 318.17. The Flagler County Board of County Commissioners adopted Ordinance 2004-08 on July 12, 2004 to assess a $15 surcharge on non-criminal traffic infractions or criminal violations of Section 318.17, Florida Statues. Funds collected are used to fund State court facilities, and expended as provided by the Board of County Commissioners in consultation with the Chief Judge of the Seventh Judicial Circuit of Florida, or his/her designee. During fiscal year 2008-09 Chapter 2009-204 was signed into Florida law raising the allowable surcharge on noncriminal traffic infractions and on certain listed criminal violations from $15 to $30. On July 20, 2009 the Flagler County Board of County Commissioners adopted Ordinance Number 2009-05 amending Section 10.33(3) of the Flagler County Code of Ordinances which increased the surcharge from $15 to $30.

Tourist Development Capital Projects (Fund 109) – Created pursuant to the provisions of Chapter 19 of the Flagler County Code of Ordinances to account for that portion (22.50%) of the 4% Tourist Development Tax authorized by the

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

provisions of Section 125.0104(3)(c) and (d), Florida Statutes which is allocated for capital outlay. The provisions of Section 125.0104(5)(a)1, Florida Statutes, limit the uses of the capital outlay portion of the Tourist Development Tax to "acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums, or museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, within the boundaries of the county…".

Tourist Development Promotions & Advertising (Fund 110) – Established pursuant to the provisions of Chapter 19 of the Flagler County Code of Ordinances to account for that portion (66.25%) of the 4% Tourist Development Tax authorized by the provisions of Section 125.0104(3)(c) and (d), Florida Statutes which is allocated for promotion and advertising. The provisions of Section 125.0104(5)(a)2, Florida Statutes, limit the uses of the promotion and advertising portion of the Tourist Development Tax to "promote and advertise tourism in the State of Florida and nationally and internationally; however, if tax revenues are expended for an activity, service, venue, or event, the activity, service, venue, or event shall have as one of its main purposes the attraction of tourists as evidenced by the promotion of the activity, service, venue, or event to tourists…".

Tourist Development Beach Restoration (Fund 111) – Created pursuant to the provisions of Chapter 19 of the Flagler County Code of Ordinances to account for that portion (11.25%) of the 4% Tourist Development Tax authorized by the provisions of Section 125.0104(3)(c) and (d), Florida Statutes which is allocated for beach restoration and maintenance. The provisions of Section 125.0104(5)(a)2, Florida Statutes, limit the uses of the beach restoration and maintenance portion of the Tourist Development Tax to "finance beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control, including shoreline protection, enhancement, cleanup, or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shoreline, or inland lake or river. However, any funds identified by a county as the local matching source for beach renourishment, restoration, or erosion control projects included in the long-range budget plan of the state's Beach Management Plan, pursuant to s. 161.091, or funds contractually obligated by a county in the financial plan for a federally authorized shore protection project may not be used or loaned for any other purpose. In counties of less than 100,000 population, no more than 10 percent of the revenues from the tourist development tax may be used for beach park facilities."

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

**Constitutional Gas Tax (Fund 112) – Established to account for the proceeds received from the Constitutional Gas Tax (2 cents per gallon) which is collected and distributed by the State of Florida pursuant to provisions of Sections 206.41(1)(a) and 206.47, Florida Statutes. Authorized uses of the constitutional gas tax, as provided by the provisions of Section 206.47(7), Florida Statutes, are limited to "the acquisition, construction, and maintenance of roads. For the purposes of this subsection, the term 'maintenance' includes periodic maintenance and routine maintenance, as defined in s. 334.03, and may include the construction and installation of traffic signals, sidewalks, bicycle paths, and landscaping. The funds may be used as matching funds for any federal, state, or private grant specifically related to these purposes."

*Countywide Road Damage (Fund 115) – Created in fiscal year 1999-2000 to account for the proceeds (in the amount of $8,000) received from Florida Recycling Service in December for damages caused on January 6, 2000 by one of their trucks which caught fire and dumped its contents onto County Road 13. Although the roadway was presumably repaired long ago, no repair related expenditures have been charged to this fund. The balance, as of September 30, 2009 totaled $10,277.08.

Environmentally Sensitive Lands (Fund 117) – Initially established for the first time in fiscal year 2004-05 to account for the proceeds from the $6,665,000 Limited Tax General Obligation Bonds, Series 2005 issued in January of 2005 which were used to fund the acquisition of environmentally sensitive lands. This fund probably should have been created as a capital projects fund as opposed to a special revenue fund.

ESL 2008 Referendum (Fund 119) – Established to account for that portion of the 0.25 mill ad valorem tax levy authorized (or reauthorized) by the voters on November 4, 2008 which is not required to fund debt service associated with either the $6,665,000 Limited General Obligation Bonds, Series 2005 or the $10,000,000 Limited General Obligation Bonds, Series 2009. The millage rate required to provide debt service on the 2005 bonds is 0.0651 mills in fiscal year 2009-10, while the millage rate required to fund debt service on the 2009 bonds is 0.0792 mills in fiscal year 2009-10. The remaining 0.1057 mills is estimated to generate a total of $949,129 in fiscal year 2009-10. Pursuant to the ballot language approved by the voters on November 4, 2008, expenditures of this special ad valorem tax levy are authorized "To continue to acquire and improve land to protect drinking water sources, preserve wildlife habitat and environmentally sensitive lands, reduce risk of wildfires, improve water quality of lakes, streams and the Intracoastal Waterway, and seek matching funds…".

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

To continue to acquire and improve land to protect drinking water sources, preserve wildlife habitat and environmentally sensitive lands, reduce risk of wildfires, improve water quality of lakes, streams and the Intracoastal Waterway, and seek matching funds, shall Flagler County be authorized to levy 0.25 mill ad valorem tax for twenty years and issue bonds not exceeding $40 Million at interest rates not exceeding the legal maximum, subject to an annual independent audit.

Utility Regulatory Authority (Fund 120) – Created to account for activities undertaken by Flagler County in conducting rate reviews and other consumer related activities related to the regulation of privately owned water and wastewater utilities operating in Flagler County. In the past, these activities were the responsibility of the Florida Public Service Commission. However, several years ago, the County reassumed this responsibility. At that point in time, the Florida Public Service Commission transferred funding to Flagler County to assist in their regulatory efforts. Although the bulk of this funding ($1,000,000) was subsequently paid the City of Palm Coast (following their incorporation and takeover of the primary utility company serving City residents), there remains a small amount of funding (approximately $20,000) remains and is included in the adopted fiscal year 2009-10 budget. Authority for the Flagler County Utility Regulatory Authority is set forth in Chapter 30, Article II of the Flagler County Code of Ordinances.

Government Services Building Administration (Fund 125) – This fund was originally created in fiscal year 2006-07 to account for the costs of operating and maintaining the Flagler County Government Services Building (GSB) which is operated on a cost-sharing basis with the Flagler County Board of County Commissioners paying 55.8% of the total cost and the Flagler District School Board paying the remaining 44.2% of the total cost. Since the County was "fronting" 100% of the cost and then billing the School Board for their share, following fiscal year 2007-08, this activity was relocated to a department within the general fund, with the School Board still paying their pro-rata share.

**Transportation Impact Fee East - Old (Fund 130) – Established to account for the amount of transportation impact fees levied by the Board of County Commissioners and collected pursuant to Chapter Section 17-64 of the Flagler County Code of Ordinances. The amounts budgeted in this fund represent impact fees collected prior to September 30, 2003 and grant funds and interest collected to the present time. Impact fees collected are credited to the geographic quadrant from which collected, where they may be used only within the quadrant from which collected for the purpose of capital improvements for roads on the County's major road network system, and not for maintenance or operations. For the 130 Fund, the geographic area includes all land east of the Florida East Coast (FEC) Railroad Right of Way.

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Transportation Impact Fee West (Fund 131) – Created to account for the amount of transportation impact fees levied by the Board of County Commissioners and collected pursuant to Chapter Section 17-64 of the Flagler County Code of Ordinances. Transportation impact fees were first collected following the passage of Flagler County Ordinance Number 89-19 on November 6, 1989. These funds represent amounts collected and credited to the geographic quadrant from which collected, which, for the 131 Fund, includes all land East of the Florida East Coast (FEC) Railroad Right of Way. Funds collected may only be used within the quadrant from which collected for the purpose of capital improvements for roads on the County's major road network system, and not for maintenance or operations.

Parks Impact Fee Zone 1 (Fund 132) – Established to account for the amount of parks and recreation impact fees levied by the Board of County Commissioners and collected pursuant to Section 17-100 of the Flagler County Code of Ordinances. Parks and recreation impact fees may be broken down into the following four categories: (1) the park site acquisition impact fee and (2) the park construction and improvement impact fee for community and special facility parks, and (3) the park site acquisition impact fee and (4) the park construction and improvement impact fee for local or neighborhood parks. Funds collected from parks impact fees shall be used for land acquisition of required parklands, or for the purpose of capital improvements to park facilities, within the originating district. The geographic area included in Zone 1 may be generally described as lands lying North of State Road 100 and East of the Intracoastal Waterway, lands lying within the corporate limits of the City of Flagler Beach and lands lying South of State Road 100 and East of Interstate 95.

Parks Impact Fee Zone 2 (Fund 133) – Created to account for the amount of parks and recreation impact fees levied by the Board of County Commissioners and collected pursuant to Section 17-100 of the Flagler County Code of Ordinances. Parks and recreation impact fees may be broken down into the following four categories: (1) the park site acquisition impact fee and (2) the park construction and improvement impact fee for community and special facility parks, and (3) the park site acquisition impact fee and (4) the park construction and improvement impact fee for local or neighborhood parks. Funds collected from parks impact fees shall be used for land acquisition of required parklands, or for the purpose of capital improvements to park facilities, within the originating district. The geographic area currently included in Zone 2 may be generally described as lands lying North of State Road 100 and East of U.S. Highway 1 and West of the Intracoastal Waterway, other than those areas within the corporate limits of the City of Bunnell, the City of Flagler Beach and the City of Palm Coast.

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Parks Impact Fee Zone 3 (Fund 134) – Established to account for the amount of parks and recreation impact fees levied by the Board of County Commissioners and collected pursuant to Section 17-100 of the Flagler County Code of Ordinances. Parks and recreation impact fees may be broken down into the following four categories: (1) the park site acquisition impact fee and (2) the park construction and improvement impact fee for community and special facility parks, and (3) the park site acquisition impact fee and (4) the park construction and improvement impact fee for local or neighborhood parks. Funds collected from parks impact fees shall be used for land acquisition of required parklands, or for the purpose of capital improvements to park facilities, within the originating district. The geographic area currently included in Zone 3 may be generally described as lands lying within the corporate limits of the City of Bushnell (as they existed in 1994) plus the area South of State Road 100, East of U.S. Highway 1 and West of Interstate 95.

Parks Impact Fee Zone 4 (Fund 135) – Created to account for the amount of parks and recreation impact fees levied by the Board of County Commissioners and collected pursuant to Chapter Section 17-100 of the Flagler County Code of Ordinances. Parks and recreation impact fees may be broken down into the following four categories: (1) the park site acquisition impact fee and (2) the park construction and improvement impact fee for community and special facility parks, and (3) the park site acquisition impact fee and (4) the park construction and improvement impact fee for local or neighborhood parks. Funds collected from parks impact fees shall be used for land acquisition of required parklands, or for the purpose of capital improvements to park facilities, within the originating district. The geographic area currently included in Zone 3 may be generally described as lands lying West of U.S. Highway 1 and outside the corporate limits of the City of Bushnell (as they existed in 1994).

**Transportation Impact Fee Palm Coast (Fund 136) – Established following the adoption of Flagler County Ordinance Number 2002-27 on October 7, 2002 to account for the amount of transportation impact fees levied and collected by the Board of County Commissioners within the corporate limits of the City of Palm Coast. Funds collected may only be used within the geographic area from which collected for the purpose of capital improvements for roads on the County's major road network system, and not for maintenance or operations. The City of Palm Coast subsequently enacted their own transportation impact fee ordinance and the County discontinued the practice of collecting impact fees within the City of Palm Coast some time on or before September 30, 2004.

Transportation Impact Fee New East (Fund 137) – Created following the adoption of Flagler County Ordinance Number 2002-27 on October 7, 2002 to account for the amount of transportation impact fees levied and collected by

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

the Board of County Commissioners within the geographic area lying outside the corporate limits of the City of Palm Coast and East of the Florida East Coast (FEC) Railroad Right of Way. Funds collected may only be used within the geographic area from which they were collected for the purpose of capital improvements for roads on the County's major road network system, and not for maintenance or operations.

Economic Development (Fund 141) – Established to account for the repayment of Community Development Block Grant funding by International Tool Machines, Inc (ITM). The final payment was received from ITM on September 12, 2002. The $637,682 included in the adopted fiscal year 2009-10 budget will be used to fund the County's Economic Development Incentive Program, as originally established by the Board of County Commissioners on October 20, 1997 (Flagler County Ordinance Number 97-19), and as later amended and restated on September 24, 2002 by Flagler County Ordinance Number 02-26. The Flagler County Economic Development Incentive Program (EDIP) is codified in the Flagler County Code of Ordinances as §§19.201 through 19.205. Expenditures of Economic Development Incentive Program funds will be governed by the provisions of these sections of the code.

*CDBG-Economic Development (Fund 142) – Created to account for the $513,900 Small Cities Community Development Block Grant (CDBG) received from the State of Florida, Department of Community Affairs (Grant Number 04DB-1A-04-28-01-E10) the proceeds of which were used to construct a 3,000 square foot office building, located at the Flagler County Airport. The building was completed in early 2006 and occupied by Cakes Across America, Inc. Cakes Across America takes orders from around the world and, through a national network of independent bakers, arranges for the personal delivery of freshly baked goods, especially cakes, to individuals and corporations across America. The last financial activity directly associated with this grant occurred during fiscal year 2006-07.

SHIP Program (Fund 143) – Established pursuant to the provisions of Section 420.9075(5), Florida Statutes, to account for the local housing distribution monies received from the State of Florida in connection with the State Housing Initiatives Partnership Act (SHIP) Program. The State Housing Initiatives Partnership Program was created for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plans specific to affordable housing, and to increase housing-related employment. Portions of the documentary stamp tax collected by the State of Florida are transferred into the Local Government Housing Trust Fund for distribution to eligible county and municipal governments to fund the implementation of local

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

housing assistance plans. Authorized expenditures from the Local Housing Assistance Trust Fund are limited to the administration and implementation of the local housing assistance program. Flagler County has historically utilized the SHIP funds to provide down payment assistance, repair or replacement of substandard housing, and mortgage foreclosure prevention assistance.

Old Kings Road Landfill (Fund 145) – Created, pursuant to the provisions of Flagler County Resolution Number 96-54, to account for the funds placed in escrow for long-term maintenance (i.e. closure and post-closure care costs for up to thirty years after final closure) for the Old Kings Road Landfill, a Class I Landfill, which also accepted yard waste. The Old Kings Road Landfill was opened in 1977 and closed in 1991. Since this landfill was closed prior to the implementation of regulations providing for the funding of closure and post-closure care costs, no revenue source existed to fund these costs. As a consequence, this fund received initial funding during fiscal year 1995-96 from an interfund transfer in the amount of $120,000 from the capital projects fund. Subsequently, during fiscal year 2000-01, additional funding was provided (totaling approximately $750,000) from the remaining proceeds of the $9,100,000 Flagler County Infrastructure Sales Surtax Improvement Revenue Bonds, Series 1991, originally issued for the purpose of constructing a new county landfill. This fund is not separately stated for financial reporting purposes but rather it is consolidated into the landfill enterprise fund.

**Construction & Demolition Debris Landfill (Fund 146) – Established to account for the funds placed in escrow for long-term maintenance (i.e. closure and post-closure care costs for up to thirty years after final closure) for the Old Kings Road Construction and Demolition Debris (C&D) facility located just South of the Old Kings Road Landfill. The Old Kings Road C&D facility was opened in 1991 and closed in 2006. Although as a C&D facility the requirements for the funding of closure and post-closure care costs are significantly different from those associated with a Class I Landfill, there was no specific revenue source collected during the years it was in operation to fund these costs. As a consequence, during fiscal year 2000-01, significant funding was provided (totaling $270,000) from the remaining proceeds of the $9,100,000 Flagler County Infrastructure Sales Surtax Improvement Revenue Bonds, Series 1991, originally issued for the purpose of constructing a new county landfill. This fund is not separately stated for financial reporting purposes but rather it is consolidated into the landfill enterprise fund.

Bunnell Landfill (Fund 148) – Created to account for the funds placed in escrow for long-term maintenance (i.e. closure and post-closure care costs for up to thirty years after final closure) for the Bunnell Landfill, a Class III Landfill, which accepted household garbage and furniture. The Bunnell Landfill was opened in 1974 and closed in 1989.

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Since this landfill was closed prior to the implementation of regulations providing for the funding of closure and post-closure care costs, no revenue source existed to fund these costs. As a consequence, this fund received funding during fiscal year 2000-01 (totaling approximately $570,000) from the remaining proceeds of the $9,100,000 Flagler County Infrastructure Sales Surtax Improvement Revenue Bonds, Series 1991, originally issued for the purpose of constructing a new county landfill. This fund is not separately stated for financial reporting purposes but rather it is consolidated into the landfill enterprise fund.

*CDBG-ED Florida Rock (Fund 150) – Established to account for the $695,389 Small Cities Community Development Block Grant (CDBG) received from the State of Florida, Department of Community Affairs (Grant Number 05DB-2Q-01-27-01-E11) the proceeds of which were used to construct a ¼ extension of Sawgrass Road/County Road 13 to the property line of Florida Rock Industries, Inc. Florida's Small Cities Community Development Block Grant (CDBG) program has five categories, one of which is Economic Development (ED). ED grants promote investment of private capital, retention of local businesses, expansion of local tax bases and the provision of long-term jobs for low and moderate income individuals. In return for the extension of Sawgrass Road, Florida Rock Industries, Inc. agreed to construct a block plant at an estimated cost of $1,580,650, and to purchase capital equipment, acquire real estate, construct a railroad spur, vertical well and septic, storage, warehouse and office facilities, all at an estimated cost of $3,306,071.00. The project was designed to provide 23 full-time jobs for local residents; 20 of those jobs were to be newly created and 11 of the newly created jobs were to be made available to low-to-moderate income residents. In addition to job creation, it is anticipated that the extension of Sawgrass Road will increase property values, tax revenues, and act as an impetus for new businesses to relocate in the County. The last financial activity directly associated with this grant occurred during fiscal year 2008-09.

*CDBG-Disaster Recovery Program (Fund 151) – Established to account for the $870,469 Disaster Recovery Program Community Development Block Grant (CDBG) awarded to Flagler County by the State of Florida, Department of Community Affairs (Grant Number 10DB-K4-04-28-01-K11) in 2010, the proceeds of which are being used to elevate and pave a portion of Water Oak Road between State Road 100 and Mahogany Boulevard. This area has flooded multiple times, and is one of only two emergency evacuation routes for the Daytona North Service District. The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 appropriated a total of $6,500,000,000 in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization in areas affected by hurricanes, flooding, and other natural disasters that occurred during 2008.

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Bimini Gardens MSTU (Fund 175) – Created, pursuant to the provisions of Section 125.01(1)(q), Florida Statutes, Flagler County Ordinance Number 99-10, and Flagler County Resolution Number 99-91, to account for the proceeds of a special per front foot assessment levied by the Board of County Commissioners and collected by the Tax Collector as a part of the tax roll. The per front foot assessment rate has remained unchanged since initially levied in fiscal year 2000-01 at $0.58 per front foot. Authorized purposes for which the funds so generated may legally be expended is limited to the "acquisition, construction, and improvement from time to time of roads and related drainage improvements" within Bimini Gardens.

*Colbert Lane Settlement (Fund 176) – Established on November 6, 2000 to account for the $310,000 proceeds received from the ITT Community Development Corporation for the express purpose of performing "all corrective and maintenance work on grassing, stormwater ponds, bicycle path pavement repair and roadway edge repairs identified as necessary by the county staff" on Colbert Lane from State Road 100 to Grand Haven North Entrance and South Park Road. Fund Balance as of September 30, 2011 totaled $202.27.

Espanola Special Assessment (Fund 177) – Established pursuant to the provisions of Flagler County Resolution Number 2002-31 (as adopted on February 28, 2002) to account for the proceeds of a per parcel special assessment of $11.76 per residential unit levied for the purpose of funding mosquito control services (including inspection services, surveillance and truck and aerial spraying) in the Espanola area. On April 21, 2003 the Board agreed to contract mosquito control services for this areas as well as the Rima Ridge Area (collectively known as the West Flagler Mosquito Control District, or WFMCD) to the East Flagler Mosquito Control District (EFMCD). To provide additional funding, the County annually applies for (and has annually received) state financial assistance from the Department of Agriculture and Consumer Services (DACS).

Rima Ridge Special Assessment (Fund 178) – Created pursuant to the provisions of Flagler County Resolution Number 2002-31 (as adopted on February 28, 2002) to account for the proceeds of a per parcel special assessment of $14.62 per residential unit levied for the purpose of funding mosquito control services (including inspection services, surveillance and truck and aerial spraying) in the Rima Ridge area. On April 21, 2003 the Board agreed to contract mosquito control services for this area as well as the Espanola Area (collectively known as the West Flagler Mosquito Control District, or WFMCD) to the East Flagler Mosquito Control District (EFMCD). To provide additional funding, the

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

County annually applies for (and has annually received) state financial assistance from the Department of Agriculture and Consumer Services (DACS).

Municipal Services (Fund 180) – Established to account for services provided by Board of County Commissioners Departments to geographically limited areas of Flagler County (i.e. the unincorporated areas). Services provided include engineering, code enforcement, planning and zoning (the Building Inspection Division is budgeted in another fund). In addition to self-generated revenues (i.e. planning and zoning fees or code enforcement charges) significant sources of revenue in this fund include a portion of the state shared ½ cent sales tax as well as staff time charges (charges made by a department for the provision of services to another fund or department).

Building Department (Fund 181) – Created to account for building permit fees authorized by Chapter 553.80(1), Florida Statutes which provides "The governing bodies of local governments may provide a schedule of fees, as authorized by s. 125.56(2) or s. 166.222 and this section, for the enforcement of the provisions of this part. Such fees shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code." As a consequence, only costs associated with the inspection and enforcement of the provisions of Section 125.56, Florida Statutes, and of the Florida Building Code and the Florida Fire Prevention Code (i.e. building and fire inspections) are funded from this source.

Mediation / Arbitration (Fund 190) – Established, pursuant to the provisions of Section 44.108, Florida Statutes, to account for the proceeds of the service charges levied for the purpose of funding mediation and arbitration services. These funds were subject to "the supervision of the chief judge of the circuit in which the county is located". Chapter 2003-402, Laws of Florida, transferred responsibility for the funding of mediation services from the County to the State of Florida and the authority of the County to levy such service charges was eliminated effective July 1, 2004. Section 94 of Chapter 2004-265, Laws of Florida provided that "On July 1, 2004, all cash balances within county funds previously established to provide dedicated funding to benefit specific court related programs shall be used to fund these programs after July 1, 2004, until those funds are depleted." However, since the purpose for which the Mediation / Arbitration Trust Fund (Fund 190) no longer existed, based on the direction contained in correspondence received from Circuit Judge Kim C. Hammond, Clerk of the Circuit Court Gail Wadsworth and Court Administrator Mark A. Weinberg, the total fund balance remaining on September 30, 2011 is to be used to either offset expenditures associated with operating the Flagler County Teen Court program or to provide funds for treatment services associated with the Flagler County Drug Court Program.

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

Court Services (Fund 191) – This fund was originally created to account for the collection of various court related services charges upon the institution of certain actions and/or proceedings filed in the circuit and county courts. The funds collected from these service charges were to be used for the purpose of funding certain court services including court security, automation, maintenance, certain Clerk of the Court services and numerous vital court programs. This funding source was eliminated with the implementation of Article V of the Florida Constitution. Section 94 of Chapter 2004-265, Laws of Florida provided that "On July 1, 2004, all cash balances within county funds previously established to provide dedicated funding to benefit specific court related programs shall be used to fund these programs after July 1, 2004,until those funds are depleted." The funds remaining in the Court Services Fund (Fund 191) were used during fiscal year 2006-07 to fund capital costs associated with the Kim C. Hammond Justice Center.

Domestic Violence (Fund 192) – Established to account for that portion of the $201.00 surcharge levied pursuant to the provisions of Section 938.08, Florida Statutes ($115.00) which is "provided to the governing board of the county and must be used only to defray the costs of incarcerating persons sentenced under Section 741.283, Florida Statutes and provide additional training to law enforcement personnel in combating domestic violence."

Alcohol & Drug Abuse Trust Fund (Fund 193) – Created pursuant the provisions of § 893.165, Florida Statutes and Flagler County Ordinance Number 2002-31. Fees and court costs are imposed pursuant to §§ 938.13, 938.21 & 938.23, Florida Statutes, and the sums collected, less Clerk fees, are deposited in the Trust Fund to be used to fund alcohol and other drug abuse programs designated by the Board. Unexpended funds at year-end, if any, remain in this fund (Fund 193) and "roll-over" to the next year.

Court Innovations /Technology (Fund 194) – Established pursuant to the provisions of § 28.24(12)(e)1, Florida Statutes, to account for that portion ($2.00) of the additional $4.00 per page recording fee collected by the Clerk and distributed to the board of county commissioners to be used exclusively to fund court-related technology, and court technology needs as defined in Sections 29.008(1)(f)2. and (h), Florida Statutes, for the state trial courts, state attorney, public defender, and criminal conflict and civil regional counsel in that county. Unexpended funds at year-end remain in this fund (Fund 194) and "roll-over" to the next year.

Juvenile Diversion (Fund 195) – Created Pursuant to § 939.185(1)(a)4., Florida Statutes, and Flagler County Ordinance 2008-20 (as amended by Ordinance 2009-05), to account for the ¼ portion of the additional court cost of

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

$65.00 imposed by the Board of County Commissioners to be used "as determined by the board of county commissioners to support teen court programs, except as provided in s. 938.19(7), juvenile assessment centers, and other juvenile alternative programs." Inasmuch as the Board of County Commissioners, pursuant to the provisions of Section 938.19, Florida Statutes, and Flagler County Ordinance 2008-20 (as amended by Ordinance 2009-05) has chosen to impose the $3.00 additional court cost specifically in support of the Teen Court Program, this portion of the $65.00 additional court cost may not be used to support the Teen Court Program (See Section 938.19(7), Florida Statutes). Unexpended funds at year-end, if any, are transferred to the Court Innovations Fund (Fund 197).

Crime Prevention Fund (Fund 196) – Established Pursuant to § 775.083(2), Florida Statutes, to account for the court costs assessed and collected in each instance a defendant pleads nolo contendere to, or is convicted of, or adjudicated delinquent for, a felony, a misdemeanor, or a criminal traffic offense under state law, or a violation of any municipal or county ordinance if the violation constitutes a misdemeanor under state law. The court costs imposed by this section shall be $50 for a felony and $20 for any other offense and shall be deposited by the clerk of the court into an appropriate county account for disbursement for the purposes provided in this subsection. The county shall account for the funds separately from other county funds as crime prevention funds. The county, in consultation with the sheriff, must expend such funds for crime prevention programs in the county, including safe neighborhood programs under ss. 163.501-163.523.

Court Innovations (Fund 197) – Created to account for that portion (25%) of the additional court cost authorized pursuant to § 939.185, Florida Statutes, and imposed by the Board of County Commissioners by the provisions of Flagler County Ordinance 2008-20 (as amended by Ordinance 2009-05) which is required to be used to fund innovative court programs, to supplement State funding of state court elements, and to aid the County in funding local requirements. Funds may not be expended without the consent of the Chief Judge or his/her designee. During prior fiscal years, significant funding was also received in this fund from Annual "Drug Court" Grants. This grant funding is no longer available. Unexpended funds at year-end, if any, remain in this fund (Fund 197) and "roll-over" to the next year.

Teen Court (Fund 198) – Created pursuant to the provisions of Section 938.19, Florida Statutes, as further implemented by the provisions of Flagler County Ordinance 2008-20 (as amended by Ordinance 2009-05), to account for the additional court cost of $3 assessed in the circuit and county court in the county against each person who pleads guilty or nolo contendere to, or is convicted of, regardless of adjudication, or adjudicated delinquent for a

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

violation of a criminal law, a delinquent act, or a municipal or county ordinance, or who pays a fine or civil penalty for any violation of chapter 316. Any person whose adjudication is withheld under s. 318.14(9) or (10) shall also be assessed the cost. All amounts collected by the clerk of the circuit court under this section shall be deposited into an account specifically for the operation and administration of the Flagler County Teen Court Program. Unexpended funds at year-end, if any, remain in this fund (Fund 198) and "roll-over" to the next year.

Daytona North Service District (Fund 702) – Established pursuant to the provisions of Section 125.01(1)(q), Florida Statutes, Flagler County Ordinance Number 83-15 (as amended by Flagler County Ordinance 90-9, 91-4, and 93-07) to account for the proceeds of a special per front foot assessment levied by the Board of County Commissioners and collected by the Tax Collector as a part of the tax roll. The per front foot assessment rate has remained unchanged since fiscal year 1992-93 at $0.58 per front foot. Authorized purposes for which the funds so generated may legally be expended is limited to providing and maintaining streets, recreation facilities, drainage facilities and services from funds derived from service charges, special assessments or taxes and any other sources of funds and revenues permitted by law, within such district only. In addition to special assessments collected with the Daytona North Service District, the Board of County Commissioners also "shares" portions of the ninth cent fuel tax and local option gas taxes received by the County with the Daytona North Service District.

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The County has seven debt service funds.

(ESL) Series 1998 (Fund 203) – Created to account for the periodic payment of principal and interest on the Limited Tax General Obligation and Refunding Bonds, Series 1998 which had an original face value of $5,105,000. These bonds were issued in December, 1998 to refund the Limited Tax General Obligation Bonds, Series 1989, and to finance the cost of the acquisition of certain environmentally sensitive lands located within the County, including but not limited to, water recharge areas and lands for parks and recreation. The bonds were limited obligations of the County. The payment of principal and interest on the bonds was payable from and secured by a pledge of ad valorem taxes at a rate not to exceed one-third of one mill per year on all taxable property within the County. Principal payments were due on July 1 of each year. Interest payments were due on January 1 and July 1 of each year. Interest was paid at a fixed rate of 3.97% per annum. The final maturity occurred on July 1, 2009. The Board of County Commissioners appropriated a reserve of $439,068 in the adopted fiscal year 2007-08 budget and used that amount to reduce the millage rate required in fiscal year 2008-09, the final year of debt service on this obligation. The

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

final debt service payment was made in July 2009, using the accumulated balance in the fund plus a fiscal year 2009 millage levy of 0.0140 mills.

Colbert Lane Special Assessment (Fund 207) – Established to account for the periodic payments of principal and interest on the $3,730,000 Special Assessment Bond, Series 2002. This bond was issued in December 2002 to refund the Special Assessment Revenue Bonds, Series 1991 which financed the construction of extensions and improvements to Colbert Lane, along with two park access roads. The Special Assessment Bond, Series 2002 was issued to take advantage of the lower interest rates available in the marketplace, and was underwritten by Bank of America. Interest is payable at a fixed rate of 3.83% per annum. The final maturity date is July 1, 2014. Prior year's debt service was appropriated in fund 206 Special Assessment Revenue Bond Fund. The principal and interest on these obligations are payable solely from and secured by a prior lien upon and pledge of the proceeds of a special assessment levied against all property determined to be specifically benefitted by the project. The benefit is allocated on a per acre basis for the benefitted property. The current per acre assessment rate of $160.00 has remained constant for a number of years.

Reserve Colbert Lane (Fund 208) – Created to account for the cash funded debt service reserve account associated with the $3,730,000 Special Assessment Bond, Series 2002. The reserve account was created, via interfund transfer, on December 31, 2009 in the amount of $563,068.33. Rather than create the reserve account as a part of the Colbert Lane Special Assessment Fund (Debt Service Fund 207) wherein the amounts available could be utilized as provided in the bond documents, the reserve account was established as a completely separate fund. During fiscal year 2007-08, the bulk of the balance of the reserve account, $604,207, was transferred via interfund transfer to the Colbert Lane Special Assessment Fund (Debt Service Fund 207) where it will be used to fund debt service in the final year of the obligations (2014). Only a small residual balance (approximately $1,000) currently remains in this fund.

(ESL) II Series 2005 (Fund 209) – Established to account for the service principal and interest associated with the $6,665,000 Limited General Obligation Bonds, Series 2005, which were issued in February, 2005. Interest rates range from 3.00% to 3.625%. Principal payments are due on July 1 of each year. Interest payments are due on January 1 and July 1 of each year. The final maturity date is July 1, 2017. The millage rate required to meet debt service requirements in fiscal year 2009-10 is 0.0651 mills. This represents an increase of 0.0130 mills or 24.95% over the 2008-09 millage rate of 0.0521 mills and is primarily the result of reductions in the amount of taxable property value. Annual debt service requirements associated with the 2005 ESL Bonds totals approximately $660,000. On

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

November 5, 2002, qualified electors residing in Flagler County approved a referendum authorizing the issuance of general obligation bonds in an amount not to exceed $6,700,000 payable from and secured by a pledge of ad valorem taxes levied at a rate not to exceed 0.163 mills annually on all taxable property within the County, with a debt service term not exceeding fourteen (14) years. The bonds were issued for the purpose of financing the acquisition of environmentally sensitive lands, including but not limited to, water recharge, parks, and recreation areas in Flagler County as provided in Resolution No. 2002-97 adopted by the Flagler County Board of County Commissioners on September 12, 2002. Reserves consist, at least in part, of amounts accumulated to make the next occurring installment of principal and interest. In addition, during a previous fiscal year, excess ad valorem tax revenues were generated. These funds are being depleted gradually over a period of several years in order to minimize the amount of millage rate variability from one fiscal year to the next.

Capital Construction Sinking, $34,105,000 Bond, Series 2005 (Fund 210) – Created to account for the periodic installments of principal and interest paid in connection with the $34,105,000 Capital Improvement Revenue Bonds, Series 2005, which were issued in September 2005 to finance the acquisition and construction of certain capital improvements in the County together with the funding of a reserve account. Principal and interest on the bonds is payable solely from and secured by a lien upon and pledge of all monies allocated for and distributed to the County from the Local Government Half-Cent Sales Tax, the 0.5% Discretionary Infrastructure Sales Surtax (levied pursuant to Ordinance Number 2002-17), the Communication Services Tax and the Guaranteed Portion of State Revenue Sharing. Interest rates range from 3.250% to 5.000%. Principal payments are due on October 1 of each year. Interest payments are due on April 1 and October 1 of each year. Average annual debt service is approximately $2,605,000 through fiscal year 2012-13 and falls to approximately $1,805,000 thereafter. The final maturity date is October 1, 2035.

Judicial Center $32,990,000 General Obligation Bonds, Series 2005 (Fund 211) – Established to account for the debt service required in connection with the $32,990,000 General Obligation Bonds, Series 2005, which were issued in September, 2005. Interest rates range from 3.00% to 4.375%. The payment of the principal and interest on the bonds is payable from and secured by a pledge of ad valorem taxes on all taxable property within the County. Principal payments are due on July 1 each year. Interest payments are due on January 1 and July 1 of each year. Average annual debt service totals $1,980,000. The final maturity date is July 1, 2035. On November 2, 2004, a majority of the qualified electors residing in Flagler County approved a referendum authorizing the issuance of general obligation bonds in an amount not to exceed $33,000,000 payable from and secured by a pledge of ad valorem taxes, with a

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

debt service term not exceeding thirty (30) years. There is no stated limit on the millage rate which may be levied to pay the debt service on the bonds. The bonds were issued for the purpose of financing the construction of a new County Judicial Center. The millage rate required to meet debt service requirements in fiscal year 2009-10 is 0.2142 mills. This represents an increase over the 2008-09 millage rate of 0.1822 mills and is the direct result of reductions in the amount of taxable property value. A separate millage rate was established for the first time in fiscal year 2008. In prior years (fiscal year 2006 and 2007), the ad valorem taxes required to service this debt were included within the general fund and then transferred to the debt service fund.

(ESL) III Series 2009 (Fund 219) – Created to account for the required principal and interest payments in connection with the $10,000,000 Limited General Obligation Tax Bonds, Series 2009 which were issued in August, 2009. The interest rate is fixed at 5.11%. Principal payments are due on July 1 each year. Interest payments are due on January 1 and July 1 of each year. Given the fixed interest rate, the annual debt service requirement declines over the life of the bonds. Nevertheless, debt service requirements for fiscal year 2009-10 totals approximately $720,000. The final maturity date is July 1, 2029. On November 4, 2008, a majority of the qualified electors residing in Flagler County authorized the levy of an ad valorem tax in an amount not to exceed 0.25 mills for 20 years for the purpose of acquiring certain lands within the County to protect the drinking water supply, wildlife habitat and environmentally sensitive lands. The millage rate required to meet debt service requirements in fiscal year 2009-10 is 0.0792 mills. The referendum authorized the County to issue up to $40,000,000 in limited tax general obligation bonds to finance the cost to acquire the lands and, with certain limitations, make the land available for access, passive recreational uses and natural community restoration. Proceeds will be used to finance the cost of land acquisitions for Bings Landing Addition, Sweetbottom Plantation and Bay Drive Addition.

Capital Projects Funds are used to account for resources designated to construct or acquire general fixed assets and major improvements. The County has seven capital projects funds.

Emergency Communications E911 (Fund 302) – Established, pursuant to the provisions of Section 365.173(2)(c), Florida Statutes, to account for the proceeds of the monthly fee (currently 50¢) collected by voice communication service providers on both wireless and non-wireless communication services. Authorized uses of the E911 fees, as set forth in Section 365.172(9), Florida Statutes, include all costs directly attributable to the establishment or provision of E911 service and contracting for E911 services. In addition eligible costs include the functions of database management, call taking, location verification, and call transfer. However, the moneys may not be used to pay for any

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

capital or operational costs for emergency responses which occur after the call transfer to the responding public safety entity or for the costs of constructing, leasing, maintaining, or renovating buildings, except for those building modifications necessary to maintain the security and environmental integrity of the PSAP and E911 equipment rooms.

Environmental Sensitive Lands (Fund 303) – Created, at least in part, to account for the new money portion of the $5,105,000 Limited General Obligation & Refunding Bonds, Series 1998. These bonds were issued in December, 1998. Of the face amount of $5,105,000, $3,575,000 of the proceeds was used to refund the outstanding Series 1989 ESL Bonds. The remainder of $1,530,000 constituted new money, net of issuance costs of $9,000. The remaining balance in this fund ($114,029) was expended during fiscal year 2007-08 for the acquisition of certain environmentally sensitive lands located within the County, including but not limited to, water recharge areas and lands for parks and recreation.

Beachfront Parks Capital (Fund 307) – Established during fiscal year 1997-98 to account for that portion ($1,075,000) of the contribution received from the developer, to be used for capital improvements to the Malacompra Beach Front Park. On March 6, 1998, the Flagler County Board of County Commissioners adopted Resolution No. 98-10, further amending the Development Order for Hammock Dunes DRI, to allow for the exchange of park land with Lowes Ocean Hammock, Ltd., and the simultaneous contribution of $1,675,000 from the developer. In exchange for 33 acres of property known as the 16th Road Park, the County received a 47.01 acre parcel known as the Malacompra Beach Front Park on a 306.98 acre parcel known as the Malacompra Greenway located along S.R. A-1-A. Fund 307 was established with $1,075,000 of the total contribution to cover the cost of Park improvements. The improvements may consist of restrooms, pavilions, benches, walkways, pedestrian and bike paths, picnic areas, site development, extension of water and sewer within the parks and all costs and fees associated with the planning, design, permitting and construction, as well as reconnection, of the wetlands bifurcated by Malacompra Road are all considered permissible uses of this construction/development money.

Beachfront Park Maintenance (Fund 308) – Created during fiscal year 1997-98 to account for that portion ($600,000) of the contribution received from the developer, to be used for maintenance of the capital improvements at the Malacompra Beach Front Park. On March 6, 1998, the Flagler County Board of County Commissioners adopted Resolution No. 98-10, further amending the Development Order for Hammock Dunes DRI, to allow for the exchange of park land with Lowe Ocean Hammock, Ltd., and the simultaneous contribution of $1,675,000 from the developer. In exchange for 33 acres of property known as the 16th Road Park, the County received a 47.01 acre parcel known as

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the Malacompra Beach Front Park on a 306.98 acre parcel known as the Malacompra Greenway located along S.R. A-1-A. Fund 308 was established with $600,000 of the total contribution to be deposited in an interest-bearing account as a trust fund for the maintenance of the Parks. Parks maintenance is to be provided from the interest generated on the Park Maintenance Trust Fund. In the event these monies are insufficient in any given year to cover the maintenance costs, up to 10% of the principal may be used to cover these costs. Monies were placed in reserves until construction of parks are completed in Fund 307.

Major Capital Projects OLD (Fund 309) – Established during fiscal year 2002-03 to account for a variety of major capital projects. The initial creation of this fund coincides with the imposition of the ½¢ Infrastructure Sales Surtax levied pursuant to the provisions of Section 212.055(2), Florida Statutes. This tax was levied beginning on January 1, 2003, following approval by referendum vote of qualified electors on September 10, 2002. Pursuant to interlocal agreement, dated November 18, 2002, the proceeds of the infrastructure sales surtax were allocated between Flagler County and the five incorporated municipalities therein. Pursuant to Section 4 of the interlocal agreement "The list of examples of projects anticipated to be accomplished by means of the proceeds of the infrastructure sales surtax is hereby adopted by the parties and is made a part of this agreement." Appendix B to the interlocal agreement presents the list of projects for Flagler County which are: 1) County Administration Building; 2) Multi-purpose facility; and 3) Youth Center. Based on the issuance of the $34,105,000 Capital Improvement Revenue Bonds, Series 2005 as well as the voter authorized issuance of the $32,990,000 General Obligation Bonds, Series 2005, the list of authorized projects was subsequently expanded to include the judicial center and, in addition to the government services building, the emergency operations center, all of which were funded from Fund 309. The County's proceeds from the ½¢ Infrastructure Sales Surtax was pledged for repayment of the $34,105,000 Capital Improvement Revenue Bonds, Series 2005. In addition, the County pledged the proceeds from the ½¢ Sales Tax, the guaranteed portion of state revenue sharing and the telecommunication tax for the repayment of these bonds. Capital projects costing in excess of $85,000,000 have been funded from this fund since its inception. Appropriations in this fund for fiscal year 2009-10 total $238,196.

Major Capital Projects NEW (Fund 310) – Created during fiscal year 2008-09 to account for a variety of primarily grant funded capital projects (mostly parks and/or road construction related). Significant funding is being provided (for local matching funds and more) by an annual operating interfund transfer from the general fund.

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## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

2009 ESL (Environmentally Sensitive Lands) Capital Projects Fund (Fund 319) – Established during fiscal year 2008-09 to account for the net proceeds of the $10,000,000 Limited Tax General Obligation Bonds, Series 2009. The net proceeds (after subtracting the estimated costs of issuance of $51,000) of $9,949,000 were deposited into this fund in September, 2009 and used to fund the cost of acquiring the Bing's Landing Addition, Sweetbottom Plantation, and Bay Drive properties. Expenditures to date from this source for the purchase of properties total $9,984,619.

Proprietary Fund Types - Proprietary funds are accounted for on an "income determination" measurement focus. Accordingly, all assets and liabilities are included on the balance sheet, and the reported fund equity (total reported assets less total reported liabilities) provides an indication of the economic net worth of the fund. Operating statements for the Proprietary Fund Types report increases (revenues) and decreases (expenses) in total economic net worth. The County has five enterprise funds and one internal service fund as follows:

Enterprise Funds

**Airport (Fund 401) – Created to account for the Flagler County Airport, a public use, General Aviation (GA) airport that is owned, operated and maintained under the direction of the Flagler County Board of County Commissioners. The Airport primarily serves corporate aviation and general aviation activity. There are no scheduled airlines providing service at the airport. The airport covers 1,145 acres with two lighted 5,000 foot long runways with associated lighted taxiways and ramps. The airport also has a 3,000 foot water runway. According to the Federal Aviation Administration (FAA) data, the airport ranks as the 4th busiest in Florida, out of 105 General Aviation airports with 190,000 takeoff and landings per year. The high amounts of air traffic led to the construction of an Air Traffic Control Tower, which went operational in October 2009. There are currently 65 aircraft based at the airport. Significant operating revenues are derived from the sale of fuel (both Avgas and Jet Fuel) as well as the rental of hangars, aircraft tie-downs and other land leases at the Airport. Capital Improvement Program (CIP) grants for airport operational and economic development projects are received from the FDOT and FAA and require varying percentage levels of local matching funds. The FAA provides entitlement grant funding for operational and safety related projects via the federal Airport Improvement Program (AIP). FDOT provides grant assistance for FAA, AIP and economic development projects.

Sanitary Landfill (Fund 402) – Established to account for the operation, closure and postclosure care costs of the Old Kings Road Landfill, the Old Kings Road Construction and Demolition Debris (C&D) facility located just South of the

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Old Kings Road Landfill, and the Bunnell Landfill, as well as the costs associated with the household hazardous waste collection center and the used oil collection center. The Old Kings Road Landfill, a Class I Landfill, which also accepted yard waste, was opened in 1977 and closed in 1991. The Old Kings Road Construction and Demolition Debris C&D facility was opened in 1991 and closed in 2006. The Bunnell Landfill, a Class III Landfill, which accepted household garbage and furniture was opened in 1974 and closed in 1989. The County continues to operate the household hazardous waste collection center and the used oil collection center in spite of the fact that there is currently no dedicated revenue source to pay for them. Please see the fund descriptions for the Old Kings Road Landfill (Fund 145), the Construction & Demolition Debris Landfill (Fund 146), and the Bunnell Landfill (Fund 148), for a more complete discussion of closure and postclosure care cost funding. In addition, please note that these three special revenue funds are not separately stated for financial reporting purposes but rather they are consolidated into the sanitary landfill fund (Fund 402).

*Public Transportation (Fund 403) – Created to account for the operation of the Flagler County Public Transportation (FCPT) System. Flagler County Public Transportation is a pre-scheduled, demand-response, para-transit transportation system. Demand for service centers on transportation for employment, education, non-emergency medical transportation, and quality of life trips. Specialized services include general passenger assistance and wheelchair assistance. FCPT acts as the Community Transportation Coordinator for Flagler County. In doing so, the County is the sole transportation provider responsible for coordinating and delivering all transportation disadvantaged services within the Flagler County Service Area. This includes determining client eligibility, trip scheduling, service routing, billing, criteria priorities, collecting operating data and preparation of the Annual Operating Report. Significant portions of the operating revenues received to support FCPT are derived from government grants. FCPT contracts as a Medicaid provider, the Department of Transportation, Commission for the Transportation Disadvantaged, and as a Medicaid-Waiver provider with the Agency for Persons with Disabilities. Additional funding comes from local sources, including local governmental funding and farebox collections. Historically, however, FCPT has been unable to be 100% self-supporting. As a consequence, beginning with fiscal year 2008-09, the decision was made to close the Public Transportation Enterprise Fund (Fund 403) and to transfer the operation to the general fund under the auspices of the General Services Department.

**Utility (Fund 404) – Originally established during fiscal year 2003-04 to account for the operation of the Beverly Beach Water and Wastewater Utility Systems, a relatively small utility, servicing 471 customers most of whom reside within the corporate limits of the Town of Beverly Beach. The anticipated user population at build out of the system is

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****Included as a Major Fund in the Audited Financial Statements for FY 07-08.**

## DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

estimated to be approximately 1,200 customers. The Beverly Beach Water and Wastewater System currently purchases bulk water from the City of Palm Coast and treats its own wastewater. In addition to the Town of Beverly Beach Water and Wastewater System, the Board of County Commissioners has also has entered into two different Developer's Agreements to accept the Eagle Lakes water and wastewater facilities to serve that development and the Old Kings Road corridor. Additionally, through the 2007 water settlement agreement with the Cities of Flagler Beach and Palm Coast, Flagler County will be the retail water and wastewater provider along the John Anderson Highway corridor. Under the Hunter's Ridge Development Order, Flagler County will provide water and wastewater service to the portion of Hunter's Ridge Development which lies in Flagler County. Also, as part of the Plantation Bay Development Order, Flagler County is seeking to obtain this utility and provide for the water and wastewater service within the Plantation Bay Development. The operating details of these arrangements have not yet been finalized however, once finalized, any County operated water and wastewater utilities will also be accounted for in this fund.

Residential Solid Waste Collection (Fund 405) – Created to account for residential solid waste collection services provided in the unincorporated areas of Flagler County. Actual solid waste collection services are performed by a contracted vendor. Prior to January 1, 2008, billing for these services was performed by County Staff. As part of the fiscal year 2008-09 budget adoption process, a non-ad valorem per parcel special assessment was added to the tax bills. These special assessments represent the most significant revenue source in this fund. Solid Waste services provided include collection of residential solid waste twice a week, collection of recyclable materials once a week, and collection of yard trash once a week.

### Internal Service Fund

The Health Insurance Fund (Fund 603) was established to account for the amounts collected and the claims paid in connection with the self-insured health benefits coverage provided to employees of the Board of County Commissioners, as well as employees of the various constitutional officers. In addition to major medical coverage, the County also self insures dental coverage. This fund also serves as a conduit for the payment of insurance premiums in the areas of vision insurance and life insurance.

***These funds were not appropriated for in the FY 11-12 Adopted Budget.**
****Included as a Major Fund in the Audited Financial Statements for FY 07-08.**

# Flagler County
# Board of County Commissioners
# Investment Policy

***Prepared by:***

Gail Wadsworth
Clerk of the Circuit Court

**Approved: January 20, 2009**

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ATTACHMENT Glossary of Cash and Investment Management Terms

# FLAGLER COUNTY
# BOARD OF COUNTY COMMISSIONERS
# INVESTMENT POLICY

## I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of Flagler County Board of County Commissioners (hereinafter "Board"). This policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

## II. SCOPE

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all financial assets, of the board with the exception of Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Funds held by state agencies (e.g., Department of Revenue) are not subject to the provisions of this policy. Additionally, the policy does not include any financial assets under the direct control of any of the Constitutional Officers of Flagler County, and this policy becomes applicable at such time as direct control of the funds passes to the Board.

## III. INVESTMENT OBJECTIVES

Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolio. Investment transactions shall seek to be consistent with the other investment objectives, which are to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value.

Maintenance of Liquidity

The portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

Return on Investment

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

## IV. DELEGATION OF AUTHORITY

Responsibility for the investment program is vested with the Clerk of the Circuit Court ("Clerk"). Responsibility for the administration of the investment program is hereby delegated by the Clerk of the Circuit Court to the Finance Director, who shall maintain an Investment Procedures and Internal Controls Manual based on this policy. The Finance Director shall be responsible for monitoring internal controls, administrative controls and to regulate the activities of the Clerk's staff involved with the investment program. The Authorized Staff is limited to the following positions:

- Clerk
- Director of Finance
- Assistant Director of Finance

## V. STANDARDS OF PRUDENCE

The standard of prudence to be used by the Authorized Staff shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio. Authorized Staff acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported in a timely fashion to the Clerk and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:

> Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

While the standard of prudence to be used by Authorized Staff who are officers or employees is the "Prudent Person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the Investment Advisor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

## VI. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the Clerk and the Board any material financial interests in financial institutions that conduct business with the Board, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Board's portfolio.

## VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The Finance Director shall establish a system of internal controls and operational procedures to protect the Board's assets and ensure proper accounting and reporting of the transactions related thereto. No person may engage in an investment transaction except as authorized under the terms of this policy. Independent auditors shall conduct a review of the system of internal controls as a normal part of the annual financial audit to the Board. Such internal controls shall include, but not limited to, the following:

Separation of functions:

By separating the person who authorizes or performs the transaction from the person or persons who record or otherwise account for the transaction, a proper separation of duties is achieved.

Custodial safekeeping:

Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into a third party bank for custodial safekeeping.

Clear delegation of authority to subordinate staff members:

Subordinate staff must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.

Written confirmation of electronically initiated transactions for investments and wire transfers:

Due to the potential for error and improprieties arising from telephone or other electronically initiated transactions, all such transactions should be supported by written communications and approved by an individual other than the individual initiating said transaction. Repetitive wires do not require a secondary approval; however, all non-repetitive wires shall have secondary approval.

Documentation of transactions and strategies:

All transactions and the strategies that were used to develop said transactions should be documented in writing and approved by the appropriate person.

## VIII. CONTINUING EDUCATION

The Finance Director and appropriate Authorized Staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

## IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Authorized Staff and Investment Advisor shall only purchase securities from financial institutions, which are qualified as public depositories by the Treasurer, or Chief Financial Officer of the State of Florida, "Primary Securities Dealers" as designated by the Federal Reserve Bank of New York, or from direct issuers of commercial paper and bankers' acceptances.

Authorized Staff and Investment Advisor shall only enter into Repurchase agreements with "Primary Securities Dealers" as designated by the Federal Reserve Bank of New York and financial institutions that are state qualified public depositories.

## X. MATURITY AND LIQUIDITY REQUIREMENTS

A. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than five (5) years requires the Clerks approval prior to purchase. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreements.

B. Investments do not necessarily have to be made for the same length of time that the funds are available. The basic criteria for consideration for investments are listed below:

1. Keep maturities short in a period of constantly rising interest rates based on Treasury bill auctions or the daily Federal Funds rate.

2. Maturities should be lengthened when the treasury yield curve is normal and is expected to remain that way based on economic reports taken as a whole. The yield curve is normal when short-term rates are lower than long-term rates.

3. Maturities should be lengthened when interest rates are expected to fall based on economic reports taken as a whole.

4. The yield curves of the market should be analyzed for significant breaks in yields over various maturity dates. The points at which the yield curve breaks are the points at which there are significant marginal declines in yields for incremental changes in the maturity dates. Investments should be made at these breaks in the yield curve so that yields will be maximized.

## XI. RISK AND DIVERSIFICATION

Assets held shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instruments, dealer, or bank through which these instruments are bought and sold. The Clerk shall determine diversification strategies within the established guidelines.

## XII. MASTER REPURCHASE AGREEMENT

The Clerk will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the Master Repurchase Agreement.

## XIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

Investment in any derivative products or the use of reverse repurchase agreements is specifically prohibited by this investment policy. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values.

## XIV. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Investment Advisor or the Finance Director has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) reputable, qualified, and financially sound banks and/or dealers must be contacted and asked to provide bids on securities in questions. Bids will be held in confidence until the highest bid is determined and awarded.

However, on an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:

A. Telerate Information System,

B. Bloomberg Information Systems,

C. The Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,

D. Daily market pricing provided by the Clerk's custody agents or their correspondent institutions.

Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the investment advisor, the Clerk, or Finance Director, competitive bidding would inhibit the selection process.

Examples of when this method may be used include:

A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.

B. When no active market exists for the issue being traded due to the age or depth of the issue.

C. When a security is unique to a single dealer, for example, a private placement.

D. When the transaction involves new issues or issues in the "when issued" market.

Overnight sweep repurchase agreements will not be bid, but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased.

## XV. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the Board's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, Authorized Staff may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the Board's custodian.

The following are the guidelines for investments and limits on security types, issuers, and maturities as established by the Board. The Clerk or the Finance Director shall have the option to further restrict investment percentages from time to time based on market conditions. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

A. The Florida Local Government Surplus Funds Trust Fund ("SBA")

1. Investment Authorization

Authorized Staff may invest in the SBA. Any investment with the SBA will be evaluated with the same criteria as Money Market Mutual Funds, detailed in section K.

2. Portfolio Composition

A maximum of twenty five (25%) of available funds may be invested in the SBA.

3. Rating Requirements

The money market funds shall be rated "AAA" by Standard & Poor's or the equivalent by another rating agency.

4. Due Diligence Requirements

A thorough investigation of any money market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Treasurer that will contain a list of due diligence considerations that deal with the major aspects of any investment pool/fund. A current prospectus must be obtained and/or current pool documents and portfolio reports.

B. United States Government Securities

1. Purchase Authorization

Authorized Staff may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to the following:

Cash Management Bills
Treasury Securities – State and Local Government Series (SLGS)
Treasury Bills
Treasury Notes
Treasury Bonds
Treasury Strips

2. Portfolio Composition

A maximum of 100% of available funds may be invested in the United States Government Securities.

3. Maturity Limitations

The length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of purchase. Maturities longer than five (5) years require the Clerk's approval.

C. United States Government Agencies (full faith and credit of the United States Government)

1. Purchase Authorization

Authorized Staff may invest in bonds, debentures or notes issued or guaranteed by the United States Governments agencies, provided such obligations are backed by the full faith and credit of the United States Government. Such securities will include, but not be limited to the following:

Government National Mortgage Association
United States Export – Import Bank
Direct obligations or fully guaranteed certificates of beneficial ownership
Farmer Home Administration
Certificates of beneficial ownership
Federal Financing Bank
Discount notes, notes and bonds
Federal Housing Administration Debentures
General Services Administration
United States Maritime Administration Guaranteed
Title XI Financing
New Communities Debentures
United States Government guaranteed debentures
United States Public Housing Notes and Bonds

United States Government guaranteed public housing notes and bonds
United States Department of Housing and Urban Development
Project notes and local authority bonds

2. Portfolio Composition

A maximum of 50% of available funds may be invested in United States Government agencies.

3. Limits on Individual Issuers

A maximum of 25% of available funds may be invested in individual United States Government agencies.

4. Maturity Limitations

The length to maturity for an investment in any United States Government agency security is five (5) years from the date of purchase. Maturities longer than five (5) years require the Clerk's approval.

D. Federal Instrumentalities (United States Government sponsored agencies which are non-full faith and credit).

1. Purchase Authorization

Authorized Staff may invest in bonds, debentures or notes issued or guaranteed by Untied States Government sponsored agencies (Federal Instrumentalities which are non-full faith and credit agencies) limited to the following:

Federal Farm Credit Bank (FFCB)
Federal Home Loan Bank or its Clerk banks (FHLB)
Federal National Mortgage Association (FNMA)
Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates

2. Portfolio Composition

A maximum of 75% of available funds may be invested in Federal Instrumentalities.

3. Limits on Individual Issuers

A maximum of 25% of available funds may be invested in any one issuer.

4. Maturity Limitations

The length to maturity for an investment in any Federal Instrumentality is five (5) years from the date of purchase. Maturities longer than five (5) years require the Clerk's approval.

E. Non-Negotiable Interest Bearing Time Certificates of Deposit

1. Purchase Authorization

Authorized Staff may invest in non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes and provided that the bank is not listed with any recognized credit watch information service.

2. Portfolio Composition

A maximum of 50% of available funds may be invested in non-negotiable interest bearing time certificates of deposit or savings accounts.

3. Limits on Individual Issuers

A maximum of 25% of available funds may be deposited with any one issuer.

4. Maturity Limitations

The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

F. Repurchase Agreements

1. Purchase Authorization

a. Authorized Staff may invest in repurchase agreements comprised of only those investments based on the requirements set forth by the Clerk's Master Repurchase Agreement. All firms with whom the Clerk enters into repurchase agreements will have in place an executed Master Repurchase Agreement with the Clerk.

b. A third party custodian shall hold collateral for all repurchase agreements with a term longer than one (1) business day.

c. Securities authorized for collateral are negotiable direct obligations of the United States Government and Federal Instrumentalities with maturities under five (5) years and must have a mark-to-market value at a minimum of 102 percent during the term of the repurchase agreement. Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the Authorized Staff.

2. Portfolio Composition

A maximum of 50% of available funds may be invested in repurchase agreements with the exception of one (1) business day agreements and overnight sweep agreements.

3. Limits on Individual Issuers

A maximum of 25% of available funds may be invested with any one institution with the exception of one (1) business day agreements and overnight sweep agreements.

4. Maturity Limitations

The maximum length to maturity of any repurchase agreement is 60 days from the date of purchase.

G. Commercial Paper

1. Purchase Authorization

Authorized Staff may invest in commercial paper of any United States company that is rated, at the time or purchase, “Prime-1” by Moody’s and “A-1” by Standard & Poor’s (prime commercial paper). In addition, corporate obligations allowed are corporate obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and are guaranteed by the full faith and credit of the United States Government.

2. Portfolio Composition

A maximum of 25% of available funds may be directly invested in prime commercial paper.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

H. Bankers’ Acceptances

1. Purchase Authorization

Authorized Staff may invest in bankers’ acceptances which are issued by a domestic bank which has at the time of purchase, an unsecured, uninsured and unguaranteed obligation rating of at least “Prime-1” by Moody’s or “A-1” by Standard & Poor’s.

2. Portfolio Composition

A maximum of 30% of available funds may be directly invested in bankers’ acceptances.

3. Limits on Individual Issuers

A maximum of 15% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for bankers' acceptances shall be 180 days from the date of purchase.

I. Corporate Notes

1. Purchase Authorization

The Authorized Staff may invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time or purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's. In addition, corporate obligations allowed are corporate obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and are guaranteed by the full faith and credit of the United States Government.

2. Portfolio Composition

A maximum of 15% of available funds may be directly invested in corporate notes.

3. Limits on Individual Issuers

A maximum of 5% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for corporate notes shall be 3 years from the date of purchase.

J. State and/or Local Government Taxable and/or Tax-Exempt Debt

1. Purchase Authorization

Authorized Staff may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's or "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's or "SP-2" by Standard & Poor's for short-term debt.

2. Portfolio Composition

A maximum of 20% of available funds may be invested in taxable and tax-exempt debts.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested with any one issuer.

4. Maturity Limitations

A maximum length to maturity for an investment in any state or local government debt security is three (3) years from the date of purchase.

K. Registered Investment Companies (Money Market Mutual Funds)

1. Investment Authorization

Authorized Staff may invest in shares in a open-end and no-load money market fund provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. In addition, the share value of the money market funds must equal to $1.00.

2. Portfolio Composition

A maximum of 50% of available funds may be invested in money market funds.

3. Limits of Individual Issuers

A maximum of 25% of available funds may be invested with any one money market fund.

4. Rating Requirements

The money market funds shall be rated “AAA” by Standard & Poor’s or the equivalent by another rating agency.

5. Due Diligence Requirements

A thorough review of any money market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Finance Director that will contain a list of questions that covers the major aspects of any investment pool/fund. A current prospectus must be obtained and/or current pool documents and portfolio reports.

L. Intergovernmental Investment Pool

1. Investment Authorization

Authorized Staff may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in s. 163.01, F.S.

2. Portfolio Composition

A maximum of 25% of available funds may be invested in intergovernmental investment pools.

3. Rating Requirements

The investment pool shall be rated “AAA” by Standard & Poor’s or the equivalent by another rating agency.

4. Due Diligence Requirements

A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Finance Director that will contain a list of questions that covers the major aspects of any investment pool. A current prospectus must be obtained and/or current pool documents and portfolio reports.

## XVI. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolio’s performance, the Clerk will use performance benchmarks. The use of benchmarks will allow the Clerk to measure its returns against other investors in the same markets.

A. The United States 91-Day Treasury Bill yield will be used as a benchmark as compared to the portfolios' net book value rate of return for current operating funds.

B. Investment performance of funds designated as core funds and other non-operating funds that have a longer-term investment horizon will be compared to an index comprised of U. S. Treasury or Government securities. The appropriate index will have a duration and asset mix that approximates the portfolios and will be utilized as a benchmark to be compared to the portfolio's total rate of return.

## XVII. REPORTING

The Finance Director and/or Investment Advisor shall provide the Clerk with quarterly investment reports. Schedules in the quarterly report should include the following:

A. A listing of individual securities held at the end of the reporting period

B. Percentage of available funds represented by each investment type

C. Coupon, discount or earning rate

D. Average life or duration and final maturity of all investments

E. Par value and market value

On an annual basis, the Clerk or designee shall prepare and submit to the Board a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment.

The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

## XVIII. THIRD-PARTY CUSTODIAL AGREEMENTS

All securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by; the Board should be properly designated as an asset of the Board. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository

chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The Clerk will execute on behalf of the Board, third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements may include letters of authority from the Clerk, details as to the responsibilities of each party, method of notification of security purchases, sales, and delivery, procedures related to repurchase agreements and wire transfers, safekeeping and transaction costs, procedures in case of wire failure or other unforeseen mishaps and describing the liability of each party.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Clerk and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide the Clerk with safekeeping receipts that provide detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

## XIX. INVESTMENT POLICY ADOPTION

The investment policy shall be adopted by the Board. The Clerk shall review the policy annually and, if necessary, present modifications to the Board for approval.

**Duly adopted this 20th day of January 2009.**

**BOARD OF COUNTY COMMISSIONERS**
**FLAGLER COUNTY, FLORIDA**

# APPROVED BUDGET FY 2011-2012