

\*\*\*SEMINOLE COUNTY BUDGET CHANGE REQUEST\*\*\* Date 4/2/03 OMB# 03-51

FROM: Department Administrative Services Division Facilities Maintenance Section \_\_\_\_\_

Signatures: Department Director [Signature] Division Manager [Signature] 2 Apr 03

**WHAT IS NEEDED:**

- Accounting adjustment: Item is budgeted, but funds are in incorrect account line.
- More funds for Budgeted Item: Item is budgeted, but additional funds are required.
- New item: Item is not in this fiscal year's budget.
- Capital Substitution: Substitution or change of a currently budgeted capital item.
- Fund & Acct # \_\_\_\_\_ Budget Item # \_\_\_\_\_ Budget Amount \$ \_\_\_\_\_
- Capital replacement retention: Capital item was slated to be replaced but needs to be retained. BCC# \_\_\_\_\_

The County Services Building Parking and Drainage Improvements project is an interlocal agreement with the City of Sanford, where at the end of the project, "the CITY shall assume all ownership and maintenance responsibilities for the jointly used 600' of 60" storm sewer pipe to Lake Monroe and hold the COUNTY harmless for said responsibilities".

The proper accounting for this project entails treating the expenditures as Aid to Other Government, an operating expenditure, not as a capital expenditure. Therefore, we need to transfer \$56,000 which is the amount that the City of Sanford will be reimbursing to the COUNTY in two payments, one in FY 2004 and on in FY 2005.

Please see attached memorandum.

**FILL IN THIS PORTION IF A TRANSFER OF FUNDS IS NEEDED: Fund # 00100 Fund Name General**

	ACCOUNT NUMBER	ACCOUNT TITLE	AMOUNT
TRANSFER FROM	010560-56063000	Improvements Other Than Buildings	\$ 56,000.00
			\$
			\$
<b>TOTAL:</b>			<b>\$ 56,000.00</b>
TRANSFER TO	010560-58081000	Aid to Other Government	\$ 56,000.00
			\$
			\$
<b>TOTAL:</b>			<b>\$ 56,000.00</b>

**CONCURRENCE OF OTHER INVOLVED DIVISIONS** (ie: Comp Svcs/hard & software; Fleet/vehicles; Purchasing/capital; Sppt. Svcs; etc)

Signature \_\_\_\_\_

Div or Dept \_\_\_\_\_

OMB RECOMMENDATION:  Approval  Disapproval Analyst [Signature] Director [Signature]

APPROVING AUTHORITY: \_\_\_ OMB Director \_\_\_ County Manager X BCC (Meeting Date) 5-13-03

Approved  Not approved Date Signed \_\_\_\_\_ Signature \_\_\_\_\_

FINANCE: Transfer has been posted Date \_\_\_\_\_ Signature \_\_\_\_\_

# Memo

RECEIVED

MAR 25 2003

**To:** Jamie Croteau, Speed Thomas

**From:** Fred Coulter

**Date:** 3/25/2003

**Re:** Agenda 3/25/2003 – Item 50

FACILITIES MAINTENANCE

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I have a couple of comments on the *Interlocal agreement between Seminole County and the City of Sanford for the joint use of six hundred feet (600') of sixty inch (60") storm sewer pipe* which is on the agenda for today. It appears that the budget amendments proposed will result in differences between the budget and the proper accounting for the project under generally accepted accounting principles.

The primary difficulty with the proposed treatment of this project can be found in the proposed interlocal agreement, Section 4. (b), which states that "upon completion of the Project as described above, the CITY shall assume all ownership and maintenance responsibilities for the jointly used six hundred feet (600') of sixty inch (60") RCP storm sewer pipe to Lake Monroe and hold the COUNTY harmless for said responsibilities thereafter." The primary characteristic of a fixed asset is ownership. If the County does not own the asset, it is not a capital asset of the County and should not be recorded as a capital expenditure on the accounting records of the County.

The proper accounting for this project entails treating the expenditures as Aid to Other Government, an operating expenditure, not as a capital expenditure. This treatment is the same on an individual fund basis (modified accrual) and for the entity wide statements (full accrual).

There is a difference in the treatment of the amounts receivable from the City of Sanford between the modified accrual based governmental funds and the full accrual based entity wide statements. On an individual fund basis, the monies to be received from the City of Sanford should be treated as revenues in the years that we will actually receive the monies (f/y/e September 30, 2004 and f/y/e September 30, 2005).

For the entity wide statements, the amounts to be received from the City of Sanford will be treated as a reduction in Aid to Other Government in the year that the project is completed. The offset to this reduction will be an Accounts Receivable from Other Government. When the monies are received, the only effect would be to lower the receivable. There would be no income effects during those subsequent years.