

FUND BALANCE POLICY

PURPOSE

- I: Prescribe a General Fund Balance policy; specifically by establishing an acceptable range of Unassigned Fund Balance available for appropriation at the Town of Holden Beach's discretion and;
- II: Prescribe the considerations for dedicating funds for the Beach Nourishment & Inlet Capital Reserve Fund and;
- III: Authorize the administrative actions required to escrow funds for the Beach Nourishment & Inlet Capital Reserve Fund.

POLICY

It shall be the policy of the Town of Holden Beach to maintain a minimum of ~~70~~4050% and a maximum of ~~70~~100% of unassigned fund balance in the General Fund.

DEDICATION OF BEACH NOURISHMENT FUNDS

Annually as part of the Budget Development and Approval process, the Board of Commissioners shall:

- a. Evaluate the estimated Unassigned General Fund revenues available at year end for appropriation in the subsequent year in order to ascertain compliance with the aforementioned desired minimum Unassigned General Fund Balance of ~~40~~50%.
- b. Consider contributing an appropriation equivalent to 5% of the occupancy tax collected under the authority of SL 1997-364 Section 9 to a Capital Reserve Account to be used solely for Beach Nourishment~~the Beach & Inlet Capital Reserve Fund~~.
- ~~c. — Annually, beginning with the adoption and implementation of the 1 July 2019 budget, the refunded PNC surety monies remitted to the Town of Holden Beach from Brunswick County shall be escrowed in the Beach Re-nourishment and Inlet Management Fund. *Refunded monies includes interest earned and refunded to the Town of Holden Beach by Brunswick County.~~

Upon closeout of the annual fiscal year financial statements and as detailed in the approved annual audit; the Board shall consider any and all amounts resulting in a General Fund Balance greater than the maximum of ~~70~~100% ~~shall to~~ be transferred to a Capital Reserve Account to be used solely for Beach Nourishment~~The Beach & Inlet Capital Reserve Fund with Board approval~~.

~~ADMINISTRATIVE AUTHORIZATION~~

~~The Town Manager acting in his capacity as Budget Officer or Finance Director as may be appropriate is authorized to effect such administrative actions as necessary to implement the policy and guidance contained herewith.~~

~~* In accordance with Board of Commissioners' consensus as briefed by Town Manager David Hewett at the March 21, 2019 Board of Commissioners' Special Meeting.~~