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 & Inlet Capital Reserve Fund and;

III: Authorize the administrative actions required to escrow funds for the Beach & Inlet Capital Reserve Fund.

POLICY

It shall be the policy of the Town of Holden Beach to maintain a minimum of 50% and a maximum of 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 50%.

b. Consider contributing an appropriation equivalent to 5% of the occupancy tax collected under the authority of SL 1997-364 Section 9 to the Beach & Inlet Capital Reserve Fund.

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 100% to be transferred to the Beach & Inlet Capital Reserve Fund with Board approval.