



INC. VILLAGE OF OCEAN BEACH, NEW YORK UNASSIGNED FUND BALANCE POLICY

Year-end surpluses and fund balances are monies that can provide a cushion or buffer that may be needed from time to time to operate without interruption or reduction in services. They provide a degree of stability and the resources to weather fluctuations in revenues and expenditures without severely impacting real property tax rates. Fund balances and adequate reserves should be managed and reviewed on a regular basis.

In its evaluations of credit ratings, a formal fund balance policy is cited by all major rating agencies (Moody's, Standard & Poor's, and Fitch) as a best management practice commonly used by better rated communities. Municipalities that adhere to a fund balance policy are viewed as being more pro-active and this reflects well on management, which in turn results in higher credit ratings and lower borrowing costs. A formal policy is an effective operating tool because it minimizes political concerns and keeps the Village more focused on achieving structural balance.

Auditors and financial advisors often note that fund balances are not replaceable through the budget process because of the legal requirement to develop balanced budgets for the General, Water, and Sewer funds. The Village does face significant pressure on the revenue and expenditure sides of its budget, and therefore, on its reserves. If surplus is depleted at the end of a fiscal year, it must be replaced by revenues within the following two fiscal years.

In recognition of sound fiscal policy and in order to stabilize and possibly enhance the current credit rating of the Village, the Village Board will make all reasonable efforts to maintain a fund balance in its General, Water, and Sewer Funds at the end of each fiscal year to no less than 30% and no more than 45% of its total operating budget. Such fund balance will be exclusive of any non-spendable, restricted, and reserve funds maintained by the Village. The Village believes that this is a reasonable amount of fund balance to achieve at the end of each fiscal year as unanticipated events during the course of a year can have negative effects on non-tax revenues or expenditures, or both.

If an emergency or a need were to occur that necessitated the appropriation of funds that would result in reducing the fund balance in the General, Water, and Sewer Funds below 30% of operating expenditures, a resolution of the Village Board would be adopted to approve such appropriation. Subsequent to such appropriation, the Village would immediately begin the process of reducing expenditures or raising revenues in order to restore the fund balance in the General, Water, and Sewer Funds to its standard operating expenditures.

Fund balance in the General, Water, and Sewer Funds above 45% may be appropriated for one-time capital expenditures, emergencies caused by natural occurrences such as hurricanes or blizzards, and to rectify unforeseen fluctuation of DOT, EFC, FEMA, and other grant funding.

This policy will remain in effect until the Inc. Village of Ocean Beach, by resolution, amends or revises it.



INCORPORATED VILLAGE OF OCEAN BEACH

RESOLUTION NO. 2017-008

AUTHORIZATION TO SIGN AND ADOPT FUND BALANCE POLICY PROPOSED BY CLERK/TREASURER: RESOLUTION NO. 2017-008:

WHEREAS, the Village Clerk/Treasurer desires to develop an Unassigned Fund Balance Policy; and

WHEREAS, the Village of Ocean Beach wishes to have a year-end surplus and fund balance of monies that can provide an appropriate cushion which may be needed from time to time to operate efficiently; and

WHEREAS, it is cited by all major ratings agencies as the best management practice commonly used by the better rated communities/municipalities for a higher credit rating thereby lowering borrowing costs; and

WHEREAS, the Village will make all reasonable efforts to maintain a fund balance for General, Water and Sewer Funds at the end of each fiscal year to no less than 30 and no more than 45% of its total operating budget; and

WHEREAS, this Fund Balance Policy has been developed by the Village Clerk/Treasurer with the assistance and endorsement of AVZ, the Village accounting consultants,

Now, therefore, it is hereby


RESOLVED that the Village adopts and approves the proposed Fund Balance Policy.

UPON MOTION MADE BY Mayor Mallott SECONDED BY Trustee Power

The foregoing RESOLUTION WAS X ADOPTED
_____ DEFEATED
_____ TABLED

Upon the following roll call vote of the members of the Board of Trustees:

Member	Absent	Aye	Nay	Abstain
Deputy Mayor Blake	_____	<u> X </u>	_____	_____
Trustee Bendicksen	_____	<u> X </u>	_____	_____
Trustee Norris	_____	<u> X </u>	_____	_____
Trustee Power	_____	<u> X </u>	_____	_____
Mayor Mallott	_____	<u> X </u>	_____	_____

ATTEST: 
Steven W. Brautigam, Clerk/Treasurer

DEFEATED

TABLED

Upon the following roll call vote of the members of the Board of Trustees:

Member	Absent	Aye	Nay	Abstain
Trustee Blake	_____	<u> X </u>	_____	_____
Trustee Bendicksen	_____	<u> X </u>	_____	_____
Trustee Pace	_____	<u> X </u>	_____	_____
Trustee Wyckoff	_____	<u> X </u>	_____	_____
Mayor Mallott	_____	<u> X </u>	_____	_____

ATTEST: _____
 Steven W. Brautigam, Clerk/Treasurer



INCORPORATED VILLAGE OF OCEAN BEACH

RESOLUTION NO. 2014-089

ADOPT FUND BALANCE POLICY: Resolution No. 2014-089:

WHEREAS, the Governmental Accounting Standards Board (GASB) issued in 2009, a statement to enhance the usefulness of fund balance information known as GASB Statement 54; and

WHEREAS, that statement establishes accounting and financial reporting for governmental fund balances for all governments, including Villages; and

WHEREAS, the Village is required under Article 3 of the General Municipal Law to file an annual financial report with the Office of the New York State Comptroller, said reporting requirement being accomplished by the filing of the Annual Update Document (AUD); and

WHEREAS, the Office of the State Comptroller (OSC) adopted a memorandum dated April 2011 concerning fund balance reporting, governmental fund type definitions, and notes to financial statement disclosures required under GASB Statement 54 (a copy of the memorandum which is appended to this resolution); and

WHEREAS, the Village is desirous of complying with financial reporting requirements of GASB 54; and

Now, therefore, be it

RESOLVED, that the Village will implement the reporting requirement of GASB 54; and

Be it further RESOLVED, that the Treasurer prepare the Village's AUD in accordance with the fund balance reporting requirements Mandated under GASB 54 and established by the Office of the State Comptroller; and

Be it further RESOLVED, that the Treasurer will adopt the fund balance classifications and definitions as provided for in the OSC memo appended hereto; and

Be it further RESOLVED, that the authority to assign fund balances lies with the Board of Trustees; and

Be it further RESOLVED, that the Village shall make the required disclosures and explanations of their fund balance classifications in the notes to their financial statement and establish the order of spending of fund balances, and

Be it further RESOLVED that in adopting this policy the Board of Trustees is committed to ensuring that the Village maintains adequate reserves to guarantee the rendition of necessary emergency services by the Village in the event of adverse economic conditions, revenue shortfalls and unforeseen expenditures due to emergency conditions; and

Be it further Resolved, that the reporting requirements under this resolution shall begin on May 31, 2014.

UPON MOTION MADE BY Mayor Mallott SECONDED BY Trustee Blake

The foregoing RESOLUTION WAS _____X_____ ADOPTED