

Financial Policy Addendum No. 15

f. Fund Balance Reserve Levels:

1. Fund Balance Reserves: It is the County's policy to maintain a fund balance reserve of 25% of annual budgeted expenditures and other uses for the purpose of budgetary stabilization. Fund balance that is reserved for stabilization can be used under the following circumstances after approval by the Board of County Commissioners:

- a. An unanticipated decline in consolidated and property tax revenues that is sustained for at least 6 month or has declined from budget by 5.0 % or greater.
- b. To cover unanticipated expenditures caused by declared emergency or natural disaster.
- c. Other purposes as determined and approved by the Board.

2. In the event fund balance reserves are required to be used under the above circumstances, the Finance Director shall make a recommendation to the Board of Commissioners that includes the following: The reasons for the use of fund balance, the amount required for stabilization, the long-term financial plan to stabilize the economic condition that has occurred, and a plan explaining the steps that will be taken to replenish fund balance to the minimum target level (in no event should the time frame for replenishment exceed three fiscal years).