



Council
Retreat

Major Initiatives for Finance Department

1. Prepare a 5–7-year financial plan with contingencies, including the possible impact of hurricane or flooding or any event closing operations on the Island.
 - ▶ It stimulates discussion and engenders a long-term perspective for decision makers
 - ▶ It can be used as a tool to prevent financial challenges
 - ▶ It stimulates long-term and strategic thinking
 - ▶ It helps to assess expenditure commitments, revenue trends, financial risks and affordability of new services, programs and capital investments
 - ▶ It is useful for communications with internal and external stakeholders

Major Initiatives for Finance Department

2. Monitor and refine financial policies to enhance the Town's financial resiliency.

► Fund balance policy :

The Town will maintain a fund balance that will provide for sufficient cash flow reserves. The amount shall not be less than 30% of the total budgeted General Fund expenditures. Should the fund balance amount fall below 30% targeted level, the Town Council must adopt a plan to restore the balance to the target level within 24 months. As of 6/30/2021 unassigned fund balance was \$12.6M, or 235% of the current year budgeted expenditures.

► Reserve policies:

Emergency fund-20% of revenues derived from Local Accommodation and Hospitality Tax. As of 6/30/2021 emergency fund was \$580K.

Capital Improvements fund-20% of revenues derived from Local Accommodation and Hospitality Tax. As of 6/30/2021 capital improvements fund was \$5.2M.

Projections For Year Ended 6/30/2022

TOWN OF KIAWAH ISLAND
PROJECTIONS FOR YEAR ENDED 6/30/2022
ALL FUNDS

	General Fund	State Accom Tax	County Accom Tax	Local Accom Tax	Beverage Tax	Hospitality Tax	Victims Assist	Arts & Cultural	Capital Fund	Emergency Fund	Consolidated
BEGINNING FUND BALANCE - 7/1/21	12,587,381	1,095,313	1,316,464	807,426	9,647	1,071,464	21,150	-	5,203,089	579,122	22,691,056
SOURCES:											
REVENUES	6,137,453	2,050,000	205,000	1,200,000	45,000	700,000	10,000	-	4,000	1,000	10,352,453
TRANSFERS IN	-	-	-	-	-	-	-	376,538	426,278	376,278	1,179,094
TOTAL	6,137,453	2,050,000	205,000	1,200,000	45,000	700,000	10,000	376,538	430,278	377,278	11,154,269
USES:											
EXPENDITURES	5,090,379	2,145,000	577,674	507,939	-	242,750	10,000	376,538	-	-	8,950,280
CAPITAL OUTLAY	136,500	-	-	149,500	-	144,000	-	-	-	-	430,000
TRANSFERS OUT	118,000	-	-	731,095	50,000	280,000	-	-	-	-	1,179,095
TOTAL	5,344,879	2,145,000	577,674	1,388,534	50,000	666,750	10,000	376,538	-	-	10,559,375
NET CHANGE	792,575	(95,000)	(372,674)	(188,534)	(5,000)	33,250	-	-	430,278	377,278	972,174
PROJECTED ENDING FUND BALANCE - 6/30/22	\$ 13,379,956	\$ 1,000,313	\$ 943,790	\$ 618,892	\$ 4,647	\$ 1,104,714	\$ 21,150	\$ -	\$ 5,633,367	\$ 956,400	\$ 23,663,230

Changes in Fund Balance; Last 10 Fiscal Years

Town of Kiawah Island
Changes in Fund Balance , Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Projected
Total Revenues	5,355,420	5,678,904	5,815,033	7,289,147	8,270,335	8,651,605	13,852,877	9,568,234	10,338,507	9,508,025	12,784,888	10,352,453
Total Expenditures	4,392,153	5,191,583	5,040,474	5,400,767	9,221,969	8,320,679	14,027,113	7,810,048	7,448,234	10,254,897	10,450,225	9,380,280
Net Change in Fund Balance	963,267	487,321	574,559	1,888,380	(951,634)	330,926	(174,236)	1,758,186	2,892,273	(746,872)	2,334,663	972,173
Fund Balance-Consolidated		14,955,874	15,530,433	17,418,813	16,467,179	16,798,105	16,623,869	18,382,057	21,274,330	20,525,458	22,860,121	23,663,230

Major Initiatives for Finance Department

- ▶ Policies for consideration:
 - ▶ Balanced Budget:
 - ▶ Legally Balanced- Budget where the sources of money used to fund the budget are at least equal to the uses of money. Sources include revenues, fund balances, revenues and borrowings.
 - ▶ Operationally Balanced- Budget that does not use fund balance, reserves or debt to fund the operating budget.
 - ▶ Structurally Balanced- Budget where operating revenues equal or exceed operating expenditures in the current year.
 - ▶ Stabilization or Rainy-Day Fund- Committed Fund Balance (%) in General Fund

25-Feb-22	Department budgets due to Town Administrator for initial review
28-Feb-22	Ways & Means regular scheduled meeting - Budget discussion-Revenues
4-Mar-22	Budgets due to Finance Department for budget integration
28-Mar-22	Ways & Means regular scheduled meeting - Budget discussion-Expenditures
Mid-April 22	State ATAX Committee meets & makes recommendation
25-Apr-22	Ways & Means recommendations to Town Council for approval
3-May-22	Public hearing & first Budget reading at Town Council meeting
7-Jun-22	Second and final reading of FY2023 Budget



Budget Calendar FY2022-2023

Major Initiatives for Finance Department

3. Promote financial best practices among departments by enhancing the department head's involvement in the budget review process throughout the year and review and modernize the Town's procurement process.
4. Conduct a physical inventory count to confirm the accuracy of the existing database.