



September 22, 2026 - Regular Meeting

Subject

Continued Discussion Regarding County Reserve Policy, Claudia Campos, Interim Chief Financial Officer

Category

REGULAR

Briefings

None

Contact and/or Presenter Information

Claudia Campos, Interim CFO ext. 3787

Action Requested

Continue Board discussion regarding the County's reserve policy and provide direction to staff regarding any proposed revisions to the policy framework.

Enabling/Regulating Authority

Applicable Advisory Board

Background Discussion

On Tuesday August 25, 2026 the Board of County Commissioners discussed the County's existing reserve policy and provided direction to staff to return with a high-level discussion of the current policy framework and potential areas for further consideration.

This agenda item is intended to continue that discussion and provide the Board an opportunity to further consider the appropriate reserve structure, terminology, funding levels, and overall policy objectives.

In response to that direction, this agenda item is intended to continue the Board's discussion at a high level and provide an opportunity to identify areas of interest, policy objectives, and considerations that the Board would like addressed as part of the more comprehensive review of the County's reserve and fund balance framework.

At a high level, consideration should be given to maintaining a clear distinction between budgetary reserves established through the County's annual budget process and fund balance classifications used for governmental financial reporting purposes. Florida

Statutes Chapter 129 governs the County's annual budget process, including appropriations for reserves, while Governmental Accounting Standards Board (GASB) Statement No. 54 establishes classifications for governmental fund balances for financial reporting purposes.

Additional considerations include the County's long-term financial stability, liquidity needs, emergency and unforeseen expenditure requirements, debt and credit considerations, and consistency with established financial management practices.

A Reserve and Fund Balance Workshop is scheduled for December 9, 2026, to provide the Board with a more comprehensive review and discussion. The workshop will include participation from appropriate County staff and financial and legal partners, including the Clerk's Finance Office, bond counsel, and the County's financial and investment advisors, as appropriate.

The December 9 workshop will provide an opportunity to further evaluate the statutory, financial reporting, debt, credit, liquidity, and long-term financial considerations associated with potential policy changes. Direction received from the Board through this high-level discussion will assist staff and the County's partners in preparing for that workshop and identifying matters requiring additional analysis.

Attorney Review

Not Reviewed (No apparent legal issues)

Instructions to Board Records

Cost and Funds Source Account Number and Name

Amount and Frequency of Recurring Costs

RESERVE & FUND BALANCE DISCUSSION



RESERVE & FUND BALANCE PURPOSE

- **Continue prior Board discussion regarding reserves and fund balance**
- **Clarify key terminology and responsibilities**
- **Establish direction for the December 9 Reserve & Fund Balance Workshop**



BUDGET vs. ACTUALS

Budget

- Governed by FL Statute 129 and TRIM
- Adopted and amended by BOCC
- FMD develops and administers
- Includes appropriations for expenditures and reserves

Cash Carryover + Projected Revenues
- Expenses

Reserves

Actuals/Financial Reporting

- Governed by GAAP and applicable GASB standards
- Recorded and reported in Finance Enterprise
- Clerk of the Circuit Court & Comptroller - maintains accounting records and financial reporting
- Reports assets, liabilities, revenues, expenditures and fund balance

Starting Cash
+ Actual Revenues Received
- Actual Expenses

Fund Balance



ADOPTED BUDGET BOOK FINANCIAL FRAMEWORK

Manatee County, Florida

Fiscal Year 2026 Adopted Budget
and
Fiscal Year 2027 Planned Budget



- **Financial Policies**
- **Budgetary Tools**
- **Statutory Requirement**

**Financial Structure & Policies can be found on
pages 447 – 471 of the FY26 Adopted Book**

<https://www.mymanatee.org/departments/financial-management-department/budget-division>



FRAMEWORK FLOW

Revenue Forecasting



Operating & Capital



Annual Budget



Reserves/Contingencies



Year-End Actual Results



Fund Balance



Next Year's Financial Planning



Each year's actual financial results become part of the starting point for the next budget cycle.

RESERVE vs. FUND BALANCE

Reserve

- **Budgetary/planning concept**
- **Included in adopted budget**
- **Provides financial capacity for identified risks/needs**
- **Part of financial planning**

Fund Balance

- **Accounting/reporting concept**
- **Based on actual financial activity**
- **Reported under GAAP/GASB**
- **Classified under GASB 54**



WHAT DOES THE EXISTING POLICY ACCOMPLISH?

- **Maximum Reserve – 20% of total budgeted operating expenses for identified funds**
- **Purpose – Provides adequate operating cash and emergency reserves**
- **Specific Reserves – Allows designation for specific purpose such as contingency, salary and capital outlay**
- **Non-Specified Reserves – Maintained within Reserve for Cash Balance or Contingency**
- **Emergency Use - Establishes guidance for using reserves during emergency situations and interruptions in revenue**
- **Terminology - Specifically distinguishes budget reserves, cash balance, and fund balance rather than treating the terms as interchangeable**



DECEMBER 9 – DEEP DIVE

December 9 Reserve & Fund Balance Workshop

