

TRANSFERS TO OTHER FUNDS

Expenditures in the Transfers to Other Funds category relate to the transfers of revenues from the General Fund to other specific funds. The Town has traditionally only utilized the General Fund; however, with the Town Hall Complex project, a separate Capital Projects Fund was established to which revenues were transferred. For the beach nourishment project, a separate fund has been established called the Beach Fund-Capital Reserve Fund. Funding for the debt service on the beach nourishment project is held for debt payments and other applicable costs and then transferred back into the General Fund. Revenues for the fund are derived from the two Municipal Service Districts (MSD-A and MSD-B) established for the project, plus General Fund and grant appropriations.

Previously, the Town implemented two MSDs to generate revenue to assist in funding debt service payments on the Town’s Beach Nourishment Project. The original rates associated with these MSDs are no longer necessary to fund the debt for the project; however, maintenance of the project through renourishment is expected to occur in calendar year 2022 and the proposed FY 2021 Budget recommends continuing with tax collections in both MSD-A and MSD-B, at a lower tax rate. MSD-A (all properties in the project area) is expected to generate \$643,581, while MSD-B (only oceanfront properties in the project area) is expected to generate \$351,462, for a total contribution of \$995,043. Under this scenario, the tax rate for MSD-A would drop from \$0.148 to the Revenue Neutral Rate of \$0.1296 and MSD-B from \$0.315 to the Revenue Neutral Rate of \$0.285.

Below is a chart that shows the Transfers to Other Funds from FY 2016 to the FY 2021 Budget with an additional forecast to FY 2026.



