

RESOLUTION 2022-001

Sponsor: Chairman Larry Kau

TOWN OF PALMYRA

STATE OF WISCONSIN JEFFERSON COUNTY

RESOLUTION REGARDING A FUND BALANCE POLICY

Whereas, the Town of Palmyra recognizes the need to maintain an operating reserve in the general fund for the following purposes:

- Hold adequate working capital to meet cash flow needs during the fiscal year.
- Reduce the need for short term borrowing.
- Serve as a safeguard for unanticipated expenditures of the Town.
- Show fiscal responsibility to maintain a high credit rating which will help reduce future borrowing costs.

Whereas, any excess of revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the Town fund balance. The Town will work to achieve and then maintain an unassigned balance in each operating fund to provide for unanticipated expense of a non-recurring nature. Reserves will be built up and then maintained at no less than an amount equal to 25% of the current operating budget for each fund.

Whereas, the Town of Palmyra's long-term goals for fund balance is to achieve and maintain a general fund balance that would alleviate the need to short-term borrow for operational cash flow needs. Fund balance in excess of this goal may be used for one-time expenditures or unforeseen cost (i.e. damages). The general fund balance shall not be used for recurring costs in the operating budget.

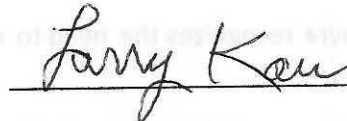
Whereas, Fund balance amounts will be reported in conformance with generally accepted accounting principles and shall be reclassified not less than at the end of each fiscal year for general purpose financial statements.

Whereas, the Town Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Town Board. Commitments of fund balance, once made, can be modified only by majority vote of the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Palmyra Board of Supervisors authorizes and directs the Town Clerk/Treasurer, or designee, to assign the fund balance, to the extent such assignment does not create a negative unassigned fund balance, as follows:

- An amount sufficient to liquidate open encumbrances that are reasonably expected to result in an expenditure in the subsequent year.
- An amount estimated for labor costs incurred prior to recognition of revenue in the subsequent year.

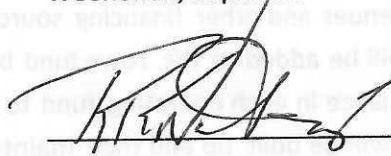
THIS RESOLUTION is adopted by the Town of Board of the Town of Palmyra on this 10th day of October, 2022, to be effective the day after posting or publication as required under s. 60.80, Wis. Stat.



Larry Kau, Chairman

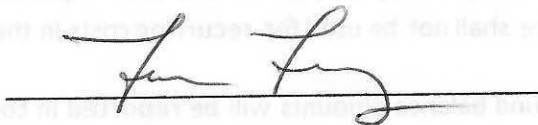


Weenonah, Supervisor 1



Dick Natrop, Supervisor 2

I hereby certify this is a true copy of a Resolution passed by the Town Board of the Town of Palmyra on the 10th day of October, 2022.



Laura Lowrey, Clerk/Treasurer