

**Windsor Town Board
RESOLUTION 2014-18**

A RESOLUTION ADOPTING FUND BALANCE POLICY (GENERAL FUND)

WHEREAS, the Town Board of the Town of Windsor, Dane County, Wisconsin has determined that it is desirable and in the best interest of the community to adopt a written policy to guide in maintaining an operating reserve in the General Fund; and

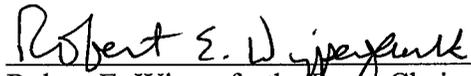
WHEREAS, the Town Board recognizes the need to maintain the operating reserve in the General Fund for purposes such as to hold adequate working capital to meet cash flow needs during the fiscal year, to reduce the need for short term borrowing, to serve as a safeguard for unanticipated expenditures and to show fiscal responsibility to maintain a high credit rating which will help reduce future borrowing costs; and

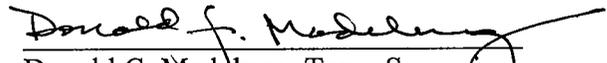
WHEREAS, the Town Board has reviewed and recommends the Fund Balance Policy, attached hereto as Exhibit A;

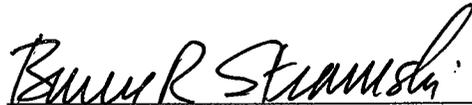
NOW THEREFORE, BE IT RESOLVED, by the Town Board of the Town of Windsor that it hereby approves said Fund Balance Policy as set forth in Exhibit A.

The above and foregoing resolution was duly adopted by the Town Board of the Town of Windsor, Dane County, Wisconsin at a meeting held on the 17th day of April, 2014 by a vote of 5 ayes and 0 nays.

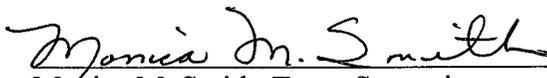
Town of Windsor

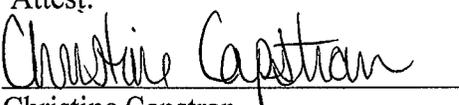

Robert E. Wipperfurth, Town Chairperson


Donald G. Madelung, Town Supervisor


Bruce Stravinski, Town Supervisor


Alan Buchner, Town Supervisor


Monica M. Smith, Town Supervisor

Attest:

Christine Capstran
Clerk

Town of Windsor
Governmental Fund Balance Policy
as of April 2014

A. Unassigned Balance in General Fund

Windsor 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; and
- Reduce the need for short term borrowing; and
- Serve as a safeguard for unanticipated expenditures of Windsor; and
- Show fiscal responsibility to maintain a high credit rating which will help reduce future borrowing costs.

Any excess revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the General Fund unassigned fund balance. Windsor will work to achieve and then maintain an unassigned fund balance in the General Fund to provide for unanticipated expense of a non-recurring nature. It is Windsor's goal to maintain a General Fund unassigned fund balance at a range of not less than 25% to 30 % of the current operating budget.

Windsor's long-term goal is to maintain an unassigned General Fund balance that would alleviate the need to borrow short-term for operation cash flow needs. Unassigned fund balance in the General Fund that exceeds this goal may be used for one-time expenditures or unforeseen costs (e.g., uninsured damages). The General Fund unassigned fund balance is not intended to be used for recurring costs, which should be included in the operating budget.

B. Governmental Fund Balance Classifications

Governmental fund balance amounts will be reported in conformance with Generally Accepted Accounting Principles (GAAP) and shall be reclassified not less than the end of each fiscal year for general purpose financial statements, using the following defined classifications:

- Non-Spendable Fund Balance: The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This shall include items not expected to be converted to cash including inventories and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of an endowment (permanent) fund.
- Restricted Fund Balance: The restricted fund balance classification shall be reported when constraints placed on the use of resources are either (a) externally imposed by

creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions enabling legislation.

- Committed Fund Balance: The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the Board. Such action shall be taken in open meeting and requires the approval of a majority of the Board present and voting. Commitments of fund balance, once made, can be modified only by majority vote of the Board present and voting.
- Assigned Fund Balance: The assigned fund balance classification reflects amounts that are constrained by Windsor's intent to use the funds for specific purposes, but meet neither the restricted nor committed forms of constraint.

Windsor authorizes and directs the Finance Director, or designee, to assign the fund balance in accordance with sound fiscal policy and subject to budgetary oversight by the Town Board and provided that such assignment does not create a negative unassigned fund balance, including but not limited to:

- An amount sufficient to liquidate open encumbrances that are reasonably expected to result in expenditures in the subsequent year.
 - An amount estimated to be sufficient to cover the cost of unsettled labor agreements or other disputes, if any.
 - An amount estimated for labor costs incurred prior to recognition of revenue the subsequent year.
- Unassigned Fund Balance: The unassigned fund balance classification is the residual classification for the General Fund only. It is also where negative residual amounts for all other governmental funds would be reported.