

**VILLAGE OF WINDSOR
VILLAGE BOARD RESOLUTION 2024-116**

APPROVAL OF FUND BALANCE POLICY

WHEREAS, the Village Board of the Village of Windsor has reviewed the Village Fund Balance Policy that was approved on July 18, 2019; and

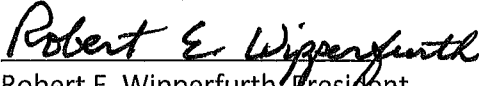
WHEREAS, the Village Board continues to recognize the need to maintain the operating reserve in the General Fund for purposes such as to hold adequate working capital to meet cash flow needs during the fiscal year, to reduce the need for short term borrowing, to serve as a safeguard for unanticipated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

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

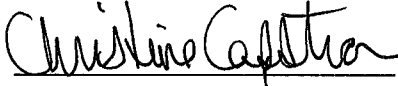
NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Windsor that it hereby approves the Fund Balance Policy as set forth in Exhibit A.

The above and foregoing Resolution was duly adopted at a regular meeting of the Village Board of the Village of Windsor on December 19, 2024, by a vote of 5 in favor and 0 opposed.

VILLAGE OF WINDSOR


Robert E. Wipperfurth, President

Attested by:


Christine Capstran, Clerk

Incorporated by Reference:

Exhibit A: Fund Balance Policy

VILLAGE OF WINDSOR

GOVERNMENTAL FUND BALANCE POLICY

1.0 GENERAL PURPOSE AND POLICY

The Village of Windsor recognizes the need to establish a fund balance policy to maintain an operating reserve in the General Fund to achieve the following:

- 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 Windsor
- 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 expenses of a non-recurring nature. The General Fund unassigned fund balance is not intended to be used for recurring costs, which should be included in the 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.

2.0 SCOPE

This policy applies to the General Fund which includes the General Operating fund, Parks fund and Token Creek Conservancy fund.

3.0 TARGET LEVEL

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. 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).

4.0 CLASSIFICATIONS

Government fund equity is classified as fund balance. Governmental fund balance amounts will be reported in conformance with Generally Accepted Accounting Principles (GAAP). Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

4.1 Non-Spendable Fund Balance

Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

4.2 Restricted Fund Balance

Resources with constraints placed on the use are either (a) externally imposed by Creditors (such as through debt covenants), Grantors, Contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

4.3 Committed Fund Balance

Resources which are subject to limitation the Village Board imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

4.4 Assigned Fund Balance

Resources, neither restricted nor committed, for which a government has a stated use as established by the Village Board or a body or official to which the Village Board has delegated the authority to assign amounts for specific purposes.

4.5 Unassigned Fund Balance

Resources which cannot be properly classified in one of the other four categories.