



# Board of Commissioners Meeting Agenda Item Submittal

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Item To Be Considered: **Proposal to Establish a Fund Balance Policy**

Board Meeting Date: **January 14, 2025**

Prepared By: **Sonia Johnson – Finance Director/Jon Barlow – Town Manager**

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**Overview:** On October 22, 2024, staff presented a Fund Balance Policy designed to enhance the Town's financial stability. The board tabled approving the policy until after the audit was received. The audit was presented at the December 10, 2024, meeting.

This policy is structured to:

1. Protect against short-term revenue fluctuations,
2. Provide resources to address unforeseen emergencies, and
3. Establish guidelines for sound fiscal management practices.

Staff recommends setting a minimum fund balance threshold of 50% of annual expenditures. This level is proposed to ensure the Town maintains adequate reserves to handle emergencies and sustain operational continuity.

As of June 30, 2024 the fund balance was at 51% per the Audit. Currently the unassigned fund balance percentage of annual expenditures is at 48%.

**Background Attachment(s):** (Proposed) Fund Balance Policy

**Recommended Action:** Motion to approve the Fund Balance Policy as written.

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**Action:** \_\_\_\_\_  
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