



Memorandum

TO: Richard McNabb, Mayor
City Council Members

FROM: Crystal Postell, Finance Director

CC: Stevie L. Cox, City Manager

DATE: 04/23/2025

REF: Adoption of the Fund Balance Policy

Summary:

It is best practice for the City to establish a Fund Balance Policy to preserve the financial integrity of the City. It is fiscally advantageous for both the City and the taxpayers to set goals and provide guidance concerning the desired level of fund balance for planned and unplanned events.

Background:

Fund Balance is a fund accounting term to describe the difference between a fund's assets and liabilities. It is important for the City of Trinity to maintain a healthy fund balance for all funds. Fund balance is essential to the preservation of the financial integrity of the City and is fiscally advantageous for both the City and the taxpayers. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the City to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances

Recommendation:

Staff recommend that the City Council approves and adopts the Fund Balance Policy.

Attachment:

Fund Balance Policy