TOWN OF FREEDOM, SAUK COUNTY, WISCONSIN

RESOLUTION NO. 2026-02

A RESOLUTION ADOPTING A FUND BALANCE POLICY

WHEREAS, the Town of Freedom is authorized under Wisconsin Statutes §§ 60.10 and 60.22 to manage its financial affairs and establish policies to ensure fiscal stability; and

WHEREAS, Wis. Stat. § 66.0607 requires municipalities to adopt and operate under an annual budget; and

WHEREAS, maintaining an adequate fund balance is essential to the financial health of the Town by providing liquidity, mitigating revenue volatility, and ensuring continued operations; and

WHEREAS, the Governmental Accounting Standards Board (GASB) Statement No. 54 establishes standards for fund balance classifications and reporting;

NOW, THEREFORE, BE IT RESOLVED that the Town Board of the Town of Freedom, Wisconsin, adopts the following Fund Balance Policy:

Section 1. Purpose

The purpose of this policy is to establish guidelines for maintaining appropriate fund balance levels in order to:

- Ensure financial stability and continuity of operations
- Provide adequate cash flow between tax collection periods
- Reduce the need for short-term borrowing under Wis. Stat. § 67.12
- Protect the Town's long-term financial position

Section 2. Fund Balance Classifications

The Town shall classify fund balance in accordance with GASB 54 as follows:

- Nonspendable
- Restricted

- Committed
- Assigned
- Unassigned

Section 3. Minimum Fund Balance Requirement

The Town shall maintain an unassigned General Fund balance of not less than 20% and not more than 35% of annual General Fund expenditures.

This range is established to address:

- Property tax collection timing (January and July settlements)
- Levy limits imposed under Wis. Stat. § 66.0602
- Limited revenue flexibility available to towns

Section 4. Use of Fund Balance

Fund balance may be used for:

- Cash flow needs
- Unanticipated expenditures
- Emergency situations
- One-time capital expenditures

Order of Use:

The Town shall apply fund balance in the following order unless otherwise restricted:

- Restricted
- Committed
- Assigned
- Unassigned

Section 5. Committed and Assigned Fund Balance

Committed Fund Balance shall be established by formal resolution of the Town Board prior to fiscal year-end

Assigned Fund Balance may be designated by:

- The Town Board; or
- The Town Clerk/Treasurer if authorized by the Board

Section 6. Effective Date

This resolution shall take effect immediately upon adoption.

ADOPTED this 14 day of July, 2026

TOWN OF FREEDOM, SAUK COUNTY, WISCONSIN

By: DM

Town Chair

Attest: Jennifer Roloff

Town Clerk

Certification

I, the undersigned Town Clerk of the Town of Freedom, do hereby certify that the foregoing resolution was duly adopted by the Town Board on the date set forth above.