



TOWN OF ULYSSES
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ADOPTION OF TOWN OF ULYSSES POLICY ON FUND BALANCE AND RESERVE FUNDS

Resolution 2020-151:

WHEREAS, the State of New York and the Governmental Accounting Standards Board has established by Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for fund balance reporting; and

WHEREAS, reserve funds, essentially a legally authorized savings account for particular specific purposes, are an important component in the Towns financial planning for specific expenses, future projects, acquisitions and other lawful purposes, and

WHEREAS, the Town may establish and maintain fund balances in accordance with New York State laws, and the Town will also consider rules and/or opinions issued by the New York State Comptroller when they are not in conflict with law; and

WHEREAS, the Town Supervisor and Budget Officer have the authority to reclassify the existing Fund Balance Reserve accounts and establish new financial account numbers to conform with the new Town Reserve Fund Policy; and

WHEREAS, the Town Reserve Fund Policy shall read as follows:

In accordance with GASB Statement No. 54 the Town reserve funds must be properly established and maintained to promote the goals of creating an open, transparent and accountable use of public funds. The Town may engage independent experts and professionals, including but not limited to, auditors, accountants and other financial and legal counsel, as necessary to monitor all reserve fund activity and prepare reports that the Town Board may require.

Government Fund Type Assignment (GASB-54)

The Town shall comply with the reporting requirements of Article 3 of General Municipal Law of the State of New York and the Governmental Accounting Standards Board (GASB) Statement Number 54, Fund Balance Reporting and Governmental Fund Types Definitions. The Board authorizes the Town Supervisor to complete the following actions as necessary to comply with the requirements of GASB Statement No. 54:

A. Restricted Fund Balances- Restricted fund balances consist of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provisions or enabling legislation. This category of fund balance refers to all reserves in the any fund.

B. Committed Fund Balances-Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action of the Town Board. This category refers to informal reserves in the A fund.

C. Assigned Fund Balances-Assigned fund balances consist of amounts that are subject to a purpose constraint that represent an intended use established by the Town Board or Town Supervisor. The Town Board authorizes the Town Supervisor to make a determination of the assigned amounts of fund balance. Assigned funds represent amounts intended to be used for a specific purpose. Assigned fund balances require same level of authority to remove the constraint. This category includes what is called "appropriated fund balance" in the A fund in the budget document, "appropriated fund balance". Outside of the A Fund (i.e. B, DA, DB, and the Water District Funds, the category 'Assigned Fund Balance" refers to unappropriated fund balance within the fund, aka "Assigned Unappropriated Fund Balance." "Assigned Appropriated Fund Balance" is appropriated fund balance in any fund outside of the A Fund.

D. Unassigned Fund Balances – Any amounts that are available for any purpose. This category refers to unappropriated fund balance in the A Fund.

Funding Policy for Restricted or Committed and Assigned Fund Balances

The formal actions and amounts deemed necessary by the Town Board that restrict, commit or assign fund balances to a specific purpose may occur prior to the end of the reporting period, however, may be determined in the subsequent period.

Spending Policy for Fund Balances

The Town Board and Budget Officer will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

Periodic Review and Annual Report

The Town Board and management will periodically review all restricted, committed and assigned fund balances. The Board shall utilize the information to discuss reserve fund balances and to adequately maintain necessary funds for the Towns long-term financial planning. The Board will be mindful of its role and responsibility as a fiduciary of public funds when acting on reserve fund issues.

NOW, THEREFORE BE IT RESOLVED by the Town Board of the Town of Ulysses, Tompkins County, New York, That the Town Board of the Town Ulysses adopts the Fund Balance and Reserve Fund Policy, and be it

FURTHER RESOLVED, that, by the adoption of this resolution, the Town Board of the Town of Ulysses does adopt the Town of Ulysses Reserve Fund Policy in accordance with GASB-54 and that such reserve fund policy shall remain in full force and effect and shall be followed with respect to all reserve funds maintained by the Town of Ulysses.

Date Adopted: 7/28/2020