CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
	Amend 2022 adopted budget for Safety Building Fund	
Committee Action:	Finance Committee recommended approval ____ on 08/09/2022	
Fiscal Impact:	Zero	
File Number:	R-xxx-2022	**Date 8/23/2022**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, the City of Stoughton's general ledger has recorded expenditures for retirement sick leave payouts into a single expenditure account within a special revenue fund (Fund 250 Sick Leave Fund) since at least 2007; and,

WHEREAS, the only revenues in this special revenue fund to offset these expenditures have been transfers from the General Fund; and,

WHEREAS, the City of Stoughton implemented Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") during calendar year 2011; and,

WHEREAS, the activity in the Sick Leave Fund does not qualify as a special revenue fund under GASB 54; and,

WHEREAS, Baker Tilly US, LLP has been correctly combining the General Fund and Sick Leave Fund together in the audited financial statements; and,

WHEREAS, additional audit fees have been incurred by the City of Stoughton for reclassification of sick leave retirement payouts into the correct expenditure category for both the audited financial statements and the Wisconsin Department of Revenue Form C report; and

WHEREAS, Generally Accepted Accounting Procedures (GAAP) for governmental accounting dictates that there should be consistency between the audited financial statements, general ledger and the adopted/amended budget; and,

WHEREAS, the Safety Building Fund had a fund balance of $144,753.89 at December 31, 2021; and,

WHEREAS, the Sick Leave Fund has reflected current year payouts totaling $164,600.55 for police officers who retired during calendar year 2022 as of August 4, 2022; and,

WHEREAS, the Sick Leave Fund adopted budget assumed a reduction in fund balance of $113,000; and,

WHEREAS, the Director of Finance/Comptroller recommends that the sick leave payout within Dept. 88888 General Revenues be returned to the balance of $85,000 as previously approved by the Common Council in a separate resolution by the Common Council on August 23, 2022;

NOW THEREFORE BE IT RESOLVED, that the 2022 adopted budget be amended so that Sick Leave Fund expenditures of $164,601 be transferred to the Police Department within the General Fund; and,

BE IT FURTHER RESOLVED, that the 2022 adopted budget be amended to transfer $164,601 from the General Revenues sick leave reserve to the Police Department to offset the increased expenditures for current year employee retirements; and;

BE IT FURTHER RESOLVED, that the 2022 adopted budget be amended to increase the General Fund Assigned Fund Balance for sick leave payouts by $31,754 as a net result of all activities within this resolution while returning the sick leave payout reserve to $85,000 for calendar year 2022 as previously approved by the Common Council in a separate resolution on August 23, 2022; and

BE IT FURTHER RESOLVED, that the 2022 adopted budget be amended to transfer $111,754 from the Sick Leave Fund Committed Fund Balance to General Revenues for the prior year fund balance within the Sick Leave Fund as of December 31, 2021; and,

BE IT FINALLY RESOLVED, that the allowed expenditures in the 2022 budget be increase by $277,601 as indicated on the table below:

Account Number	Account Description	Revenue Increase	Revenue Decrease	Expenditures Increase	Expenditures Decrease	
Sick Leave Fund						
250-00000-49210	Transfer In - General Fund		(52,000)			A
250-51935-49920	Fund balance applied - transfers	144,754				
250-51938-50535	Retiree health insurance payout				(165,000)	B
250-51938-59740	Fund closure transfer			144,754		C
Sick Leave Fund totals		92,754			(20,246)	
Amendment is out of balance because the adopted budget did not have equal revenues and expenditures.						
Police Department						
100-52100-49750	Retirement transfer in	164,601				D
100-52100-50169	H.S.A. retirement payout			164,601		B
Subtotal		164,601		164,601		
Transfer to other funds						
100-59500-50930	Transfer to sick leave fund				(52,000)	A
Subtotal					(52,000)	
General Revenues						
100-88888-49740	Fund closure transfer	144,754				C
100-88888-49920	Fund balance applied - transfers		(31,754)			
100-88888-50169	H.S.A. retirement payout			399		B
100-88888-59750	Retirement transfer out			164,601		D
Subtotal		113,000		165,000		
General Fund subtotals		277,601		277,601		

Fiscal note: Budget amendments require two-thirds (2/3) vote of members elected.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____