

***Effective 5/13/2014***

**10-5-113 Accumulation of retained earnings or fund balance -- Limit as to general fund -- Reserve for capital improvements.**

- (1) A town may accumulate retained earnings or fund balances, as appropriate, in any fund.
- (2) The accumulation of a fund balance in the town general fund may not exceed 75% of the total revenue of the town general fund for the current fiscal period.
- (3)
  - (a) The town council may, in a budget year, appropriate from estimated revenue or excess fund balance in the town general fund to a reserve for capital improvements:
    - (i) for the purpose of financing future specified capital improvements; and
    - (ii) in accordance with a formal long-range capital plan adopted by the governing body.
  - (b) The reserves described in Subsection (3)(a) may accumulate from year to year in a capital improvements fund until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

Amended by Chapter 176, 2014 General Session