

RESOLUTION #22-15:

A RESOLUTION TO COMMIT A PORTION OF FUND BALANCE IN THE GENERAL FUND (FUTURE CAPITAL).

THAT WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, the Village Council is the highest level of decision-making authority, and has the authority to commit, assign, or evaluate existing fund balance classifications and identify the intended uses of committed or assigned funds; and

WHEREAS, the committed fund balance classification reflects amounts subject to internal constraints self-imposed by the Village Council; and

WHEREAS, once the committed fund balance constraints are imposed, it requires the constraint to be removed by the Village Council prior to redirecting the funds for other purposes; and

WHEREAS, the Village Council has adopted a Fund Balance Policy, as amended from time to time, in order to maintain adequate working capital and a good credit rating; and

WHEREAS, the Village's Fund Balance Policy states the Village Council may commit a portion of fund balance for future capital needs in the General Fund when fund balance is in excess of 40% of actual General Fund expenditures as reported in the year-end Annual Comprehensive Financial Report; and

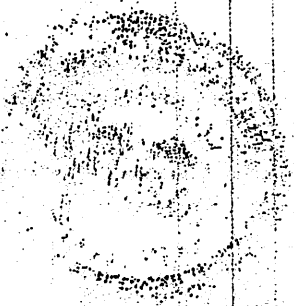
WHEREAS, the Village's Fund Balance Policy states that in no instance shall the amount of fund balance committed for future capital needs cause the unassigned General Fund fund balance to fall below 15% of actual General Fund expenditures as reported in the year-end Annual Comprehensive Financial Report; and

WHEREAS, the Village's Fund Balance Policy states the Council must approve a separate resolution for the respective year to commit fund balance for future capital in the General Fund; and

WHEREAS, the calculation of committed fund balance will occur during the completion of the year-end Annual Comprehensive Financial Report.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in regular meeting assembled this 14th day of June, 2022, as follows:

SECTION 1. In accordance with the provisions of GASB 54, Village Council hereby commits the amount of General Fund fund balance that exceeds 40% of actual General Fund expenditures as of June 30, 2022 as reported in the Annual Comprehensive Financial Report for



future capital within that, as indicated by the committed fund balance classification, cannot be used for any purpose other than directed above, unless the Village Council adopts another resolution or ordinance to remove or change the constraint.

SECTION 2. To comply with the Village's Fund Balance Policy, should unassigned fund balance fall below 15% by committing fund balance for future capital as calculated in Section 1, the amount of committed fund balance for future capital will be reduced to ensure unassigned fund balance remains at 15% of actual General Fund expenditures.

THIS RESOLUTION passed and adopted this 14th day of June, 2022.



VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: *John C. Strickland*
John C. Strickland, Mayor

Attest:
Kelly Chance
Kelly Chance, Village Clerk

Approved as to Form:
Michael J. Newman
Michael J. Newman, Village Attorney