

MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Mandy Cartrette, Finance Officer

SUBJECT: Budget Amendment for Recreation Fee in Lieu of Dedicated Park Space

DATE: January 27, 2014

The attached budget amendment would appropriate funds from the General Fund Balance to the Recreation Fee Paid in Lieu of Dedicated Park Space revenue account.

BACKGROUND

New subdivisions must pay a fee of \$1,000/lot to the Town if they do not choose to dedicate a portion of the land in their subdivision for parks & recreation areas. Per state statute, the Town must use these funds for Parks & Recreation Department capital expenditures. These funds are restricted and should not be included as unreserved General Fund balance.

In FY 2012/2013, the Town received \$2,000 from developers for Recreation Fees in Lieu of Dedicated Park Space. At the end of the year, these funds rolled into the General Fund balance. I have worked with our auditors to develop a way to prevent the funds we received last year and the funds that we will receive in future years from rolling into fund balance at the fiscal year end. Furthermore, we will be able to keep a running total of how much of these fees the Town has received until we accumulate enough funds to spend them for Parks & Recreation Department capital expenditures. The Finance Department will track these funds similar to the way that we account for Powell Bill funds. To accomplish this task, I need to take these funds out of the General Fund balance, move them to the revenue line that has been established for these fees, set up an asset account (which does not close at the end of the fiscal year) for these funds, and make an offsetting entry to the asset account for the \$2,000 that we received in the prior fiscal year.

RECOMMENDATION

That the Board of Commissioners adopt the attached budget ordinance amending the FY 13/14 operating budget to appropriate funds from the General Fund Balance to the Recreation Fee Paid in Lieu of Dedicated Park Space revenue account.

ORDINANCE AMENDING THE
TOWN OF PITTSBORO
2013-2014 OPERATING BUDGET

Be it ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 27th day of January, 2014.

Appropriation of Funds from General Fund Balance to Recreation Fee Paid in Lieu of Dedicated Park Space to Account for Restricted General Fund Balance

Section 1. That the following **GENERAL FUND REVENUES** be increased by the amount indicated:

103990010	Fund Balance Appropriated	\$2,000.00
103650001	Recreation Fee-Pay in Lieu of	2,000.00
TOTAL		\$4,000.00

Adopted this 27th day of January, 2014.

William G. Terry, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC, Town Clerk