

RESOLUTION 26-42

A RESOLUTION AUTHORIZING A TRUE-UP OF FUND BALANCE CLASSIFICATIONS AND REIMBURSEMENT TO THE GENERAL FUND FROM THE PARKLAND COMMITMENT FOR THE HURT ROAD PARKLAND ACQUISITION

WHEREAS, the Board of Mayor and Alderman, City of Spring Hill, previously established a committed fund balance by Resolution 23-113 for the purpose of parkland acquisition; and

WHEREAS, in 2024 the City paid an invoice in the amount of \$1,110,149.00 from the General Fund for the purchase of Hurt Road Parkland; and

WHEREAS, subsequent review of the City's fund balance classifications determined that this expenditure aligns with the purpose and intent of the committed fund balance established for parkland acquisition; and

WHEREAS, GASB Statement No. 54 defines committed fund balance as amounts constrained to specific purposes by formal action of the governing body; and

WHEREAS, reimbursement of the General Fund from the Parkland Commitment for this qualifying expenditure is consistent with the original intent of the commitment and will improve the accuracy of the City's fund balance reporting; and

WHEREAS, this action does not represent new spending, a retroactive commitment, or an expansion of the purpose of the committed fund balance, but rather a correction to ensure the expenditure is charged to the appropriate funding source.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Mayor and Aldermen, City of Spring Hill, Tennessee, authorizes a reimbursement to the General Fund in the amount of \$1,110,149.00 from the Parkland Commitment established by Resolution 23-113, related to the 2024 purchase of Hurt Road Parkland.

Passed and adopted by the Board of Mayor and Alderman of the City of Spring Hill, Tennessee on the 2nd day of February 2026.



Matt Fitterer, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

STAFF MEMORANDUM

TO: Board of Mayor and Aldermen
FROM: Rebecca Holden, Finance Director
DATE: 01/14/2026
SUBJECT: Resolution 23-113 Parkland Commitment

RECOMMENDATION:

Staff recommends approving a true-up of fund balance classifications by reimbursing the General Fund for the 2024 property acquisition invoice in the amount of \$1,110,149.00 from the Parkland Commitment as set aside by 23-113. This action ensures that the expenditure is charged to the appropriate funding source consistent with the original commitment and governing body intent.

This reimbursement does not represent new spending, a retroactive commitment, or an expansion of the purpose of the committed fund balance. Rather, it corrects the funding source used for a qualifying expenditure and aligns the municipality's financial records with GASB 54 requirements and GFOA best practices regarding the appropriate use of committed resources.

BACKGROUND:

In 2024, the City of Spring Hill paid an invoice in the amount of \$1,110,149.00 for the purchase of Hurt Road Parkland from the General Fund. Subsequent review of fund balance classifications has identified that this expenditure aligns with the purpose of a committed fund balance previously established by Resolution 23-113 for parkland acquisition.

Under GASB Statement No. 54, committed fund balance consists of amounts constrained by the governing body for a specific purpose. GFOA guidance supports the principle that when expenditures qualify, the most restrictive funding sources should be used prior to less restrictive resources, such as the General Fund.

FINANCIAL IMPACT:

The recommended action will result in a reimbursement to the General Fund and a corresponding reduction of the committed fund balance. There is no net fiscal impact to the municipality as a whole. This adjustment improves the accuracy of fund balance reporting, preserves General Fund capacity for less restricted purposes, and ensures committed resources are utilized in accordance with their intended use.



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