

RESOLUTION NO. 2022- 09

**RESOLUTION OF SAN CARLOS ESTATES WATER CONTROL DISTRICT (“DISTRICT”) ADOPTING A FUND BALANCE POLICY; PROVIDING FOR SEVERABILITY; PROVIDING FOR SCRIVENER’S ERRORS; PROVIDING FOR LIBERAL CONSTRUCTION AND FOR AN EFFECTIVE DATE.**

WHEREAS, pursuant to Chapter 298 Florida Statutes, the Judicial Decree by the Circuit Court of the Twelfth Judicial Circuit in and for Lee County, Florida, Case No. 69-105, dated April 3, 1969, and other applicable provisions of law, the San Carlos Water Control District (“District”) is responsible for operating a system of perimeter canals, dikes, roadside swales, roadbeds, basins and outfall canals to provide drainage and stormwater flow control and other reclamation of the lands located within the District's geographical boundary as an independent special district; and,

WHEREAS, the District is desirous of adopting a Fund Balance Policy.

NOW THEREFORE, be it resolved by the Board of Supervisors of the San Carlos Estates Water Control District that:

**SECTION 1 - AUTHORITY**

This Resolution is adopted pursuant to the provisions of Florida law, especially Chapter 298, Florida Statutes, and the District’s enabling judicial decree entered by the Circuit Court of the Twelfth Judicial in and for Lee County, Florida, Case No. 69-105, dated April 3, 1969, and other applicable provisions of law.

**SECTION 2 - INCORPORATION OF RECITALS**

The recitals set forth above are true and correct and form a part of this Resolution.

**SECTION THREE – ADOPTION OF FUND BALANCE POLICY**

The Board of Supervisors hereby adopts the **SAN CARLOS ESTATES WATER CONTROL DISTRICT FUND BALANCE POLICY** attached hereto and made a part hereof as Exhibit A as the Fund Balance Policy of the District, in part to satisfy the Governmental Accounting Standards Board (GASB) Issued Statement Number 54.

**SECTION FOUR - SCRIVENER'S ERRORS**

Sections of this Resolution may be renumbered or re-lettered and corrections of typographical errors which do not affect the intent may be authorized by the President/Chair of the Board of Supervisors without need of a public meeting or Board decision making action by the President/Chair of the Board of Supervisors filing a corrected or re-codified copy of same with the District's records custodian.

**SECTION FIVE - SEVERABILITY**

If any section, subsection, sentence, clause or other provision of this Resolution is held unconstitutional, inoperative or void by a court of competent jurisdiction, such holding shall be deemed a separate provision and eliminated from this Resolution and shall not affect the remainder of this Resolution.

**SECTION SIX - RESCISSION**

The Board of Supervisors hereby rescinds all prior resolutions and other official action of the Board of Supervisors to the extent of any conflict with any part of this Resolution.

**SECTION SEVEN - CONSTRUCTION AND EFFECTIVE DATE**

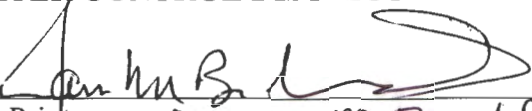
This Resolution shall be liberally construed to effect the purposes hereof and shall take effect immediately upon its adoption.

THE FOREGOING RESOLUTION WAS OFFERED BY SUPERVISOR Cellucci  
WHO MOVED THE RESOLUTION'S ADOPTION. THE MOTION WAS SECONDED BY  
SUPERVISOR finazzo AND, UPON BEING PUT TO A VOTE, THE  
VOTE WAS AS FOLLOWS:

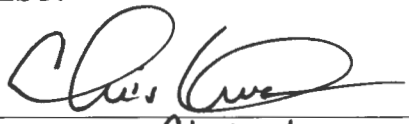
<u>NAME</u>	<u>YES</u>	<u>NO</u>
Jim Bradford	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jennifer Finazzo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Cellucci	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Duly passed and adopted on this 21<sup>st</sup> day of November, 2022.

**BOARD OF SUPERVISORS OF THE SAN CARLOS ESTATES  
WATER CONTROL DISTRICT**

By:   
Print name: James M Bradford  
Print title: Board Chair

**ATTEST:**

By:   
Print name: Chris Lawson  
Print title: Secretary / Treasurer

## **SAN CARLOS ESTATES WATER CONTROL DISTRICT FUND BALANCE POLICY**

The San Carlos Estates Water Control District (“District”) hereby adopts this Fund Balance Policy to provide a stable financial base at all times for the District. To maintain a stable financial base, the District needs to maintain a fund balance sufficient to fund all cash flows of the District, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, to provide funds for the disparity and timing between revenue collection (primarily non-ad valorem assessment) and expenditures, and to secure and maintain District credit ratings established by financial institutions providing debt to the District for capital asset financings. This policy is adopted, in part, to address the governmental accounting standards Board (GASB) Issued Statement No. 54 entitled “Fund Balance Reporting and Governmental Fund Type Definitions.”

Generally speaking, Fund Balance shall mean the gross difference between the District’s governmental fund assets and liabilities reflected on the District’s balance sheet and budget. Fund Balance will be maintained by the District in the five (5) categories of “Non-Spendable”, “Restricted”, “Committed”, “Assigned”, and “Unassigned” Fund Balance. The general descriptions and parameters applicable to the five (5) categories of Fund Balance are as follows:

1. Non-Spendable Fund Balance. Non-Spendable Fund Balance represents the part of the District’s Fund Balance that is generally not in a spendable form such as prepaid items or that are legally or contractually required to be maintained intact. The Non-Spendable Fund Balance includes items that are not expected to be converted into cash such as pre-paid items, deferred expenditures or outstanding encumbrances.
2. Restricted Fund Balance. The Restricted Fund Balance of the District consists of amounts that can be spent only on specific purposes required by the law or required by

external parties such as creditors, grantors, contributors or other governments. An example is the District's impact fee funds.

3. Committed Fund Balance. The Committed Fund Balance of the District can only be used for specific purposes pursuant to authorization of the District Board of Supervisors in the form of a Resolution. The amount of Committed Fund Balance for a specific purpose cannot be used for any other purpose unless the District Board of Supervisors removes or changes the specified use or amount by a Resolution. Committed Fund Balance should include contractual obligations of the District to the extent that existing District resources have been specifically committed for use in satisfying those contractual obligations.
4. Assigned Fund Balance. The Assigned Fund Balance of the District consists of amounts that are subject to an assigned purpose that represents an intended use of the Assigned Fund Balance by the District Board of Supervisors. Formal action of the District Board of Supervisors in the form of a Resolution is not required to impose, remove, or modify an amount for an item in the Assigned Fund Balance category.
5. Unassigned Fund Balance. The Unassigned Fund Balance of the District represents the residual classification of the District's Fund Balance. The District's Unassigned Fund Balance represents Fund Balance that has not been placed into any of the preceding categories of Fund Balance (i.e. Non-Spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance and Assigned Fund Balance).

Hereafter, on an annual basis during the adoption of the next fiscal year's budget, the District Board of Supervisors will consider the categories of Fund Balance described in this policy

and will direct appropriate monetary amounts to each of the categories of Fund Balance described above.