File #: 21-229, **Version:** 1

TITLE:

Designation of Fund Balance for FY 2020-21 Budget Items Not Yet Spent or Encumbered

PURPOSE: The Town Council is requested to designate fund balance in the General Fund to carry over to next year for certain budget items where funds have not been spent or encumbered.

DEPARTMENT: Finance

CONTACT INFORMATION: Arche McAdoo 918-7439; Cary McNallan 918-7301

INFORMATION: The Town Manager has identified several activities/programs in the adopted FY 2020-21 general fund budget where funds appropriated have not been spent or encumbered. These funds total $575,599 and will be needed when activities/programs are developed and a vendor identified for the service or item.

As part of the transition from one fiscal year to the next, Finance requests all departments to identify budgeted activities/programs that are not complete, so that the funding for these unspent budgeted items may be considered for carry over at year-end for use at a future date. This avoids possible interruption of the planning or implementation for these activities/programs. Designating fund balance for the use of these budgeted, but unspent or not encumbered funds, allows for a more accurate presentation of the undesignated fund balance portion of the General Fund in the annual audit report.

The resolution to designate fund balance (Attachment A) authorizes the carryover to next fiscal year of unexpended budget balance for specified item(s) contingent upon confirmation by the independent audit for the year ending June 30, 2021. The Town Manager is also authorized to transfer these funds to the appropriate department.

FISCAL & STAFF IMPACT: The budget items identified total $575,599 to be carried over from FY 2020-21 to FY 2021-22. If not carried over, an appropriation in the FY 2021-22 budget may be necessary to continue these activities/programs.

RECOMMENDATION: The Town Council is requested to consider for adoption the attached resolution designating fund balance for the items identified.