

BOARD OF ALDERMEN

ITEM NO. C(6)

AGENDA ITEM ABSTRACT

MEETING DATE: June 21, 2011

**TITLE: Request to Approve Designation of Fund Balance for FY 2010-11 Budget
Items Not Yet Spent or Encumbered**

DEPARTMENT: Management Services	PUBLIC HEARING: YES ___ NO <u>X</u>
ATTACHMENTS: Attachment A: Resolution to Designate Fund Balance	FOR INFORMATION CONTACT: Arche McAdoo, Finance Director, 718-7439

PURPOSE

The Board is requested to designate fund balance for certain budget items where funds have not been spent or encumbered.

INFORMATION

The Town has identified several projects totaling \$267,215 within the FY 2010-11 general fund budget where funds appropriated by the Board have not been spent. However, these funds will be needed when the projects are brought to fruition and a vendor identified to purchase the service or item. Funds for budgeted projects or commitments made by the Board, if not spent, will accrue to unrestricted fund balance within the General Fund at June 30, 2011.

As part of the transition from one fiscal year to the next, Management Services requests departments to identify all budgeted projects that are not completed so that the funding for these unspent budgeted items at year-end may be set aside and available at a future date when needed. This avoids possible interruption of the project planning or implementation. By designating fund balance for the use of these budgeted, but unspent or encumbered funds, allows for a more accurate presentation of the undesignated fund balance portion of the General Fund in the annual audit report.

The resolutions to designate funds balance (Attachment A) is a statement of the Board's desire to designate fund balance for the budget items identified. At the conclusion of the Town's independent audit, some of the estimated costs for the items may change.

RECOMMENDATION

The Board is requested to approve the attached resolution designating fund balance for the items identified.