THE CITY OF ASHEVILLE

STAFF REPORT

City Council: December 12, 2023

Subject: Technical Budget Amendment for Year-End Encumbrances, Carry-Overs, and Project Closures

Staff Resource(s): Tony McDowell, Finance Director

Action Requested: Adoption of a technical budget amendment in each of the City's annual operating funds to appropriate from restricted and assigned fund balance the required budget authorization for project closures, prior year contracts, purchase orders, and other carry-over appropriations that rolled forward to Fiscal Year 2023-24 (FY24).

Background:

- As part of its ongoing operations, the City enters into various contracts and purchase order agreements throughout the fiscal year.
    - Budget funds are encumbered for the full amount of the expected purchase.
    - These contracts and purchase orders are often not fully completed and paid in one fiscal year.
    - North Carolina General Statutes provide authorization for local governments to reserve the unexpended portion of these prior year commitments and roll those budgets forward to the new fiscal year.
- As a part of the FY23 annual audit, staff identified prior year commitments and carry-over appropriations to roll forward to FY24.
    - These dollar amounts were deducted from the unassigned fund balance amounts that were reported in the Annual Comprehensive Financial Report.
    - The attached technical budget amendment will provide authorization to officially appropriate these amounts in the FY24 budget for each of the City's annual operating funds.
    - It is standard practice for staff to bring forward this technical budget amendment each year at the same City Council meeting in which the external auditors present the annual audit results.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Provides budget authorization for project closures, prior year contracts, purchase orders, and other carry-over appropriations that rolled forward to FY24.

Con(s):

- None.

Fiscal Impact:

- There is no impact on unassigned or available fund balance in the City's operating funds.

Suggested Motion:

- Motion to adopt a technical budget amendment in each of the City's annual operating funds to appropriate from restricted and assigned fund balance the required budget authorization for

project closures, prior year contracts, purchase orders, and other carry-over appropriations that rolled forward to FY 2023-24.

Attachment(s):

- Budget Amendment.

ORDINANCE NO.

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That Section 1 of the City of Asheville Annual Operating Budget Ordinance be amended to provide from restricted and assigned fund balance the required budget authorization for prior year contracts, purchase orders, and other carry-over appropriations that rolled forward to Fiscal Year (FY) 2023-24, as follows:

ALL OPERATING FUNDS

Revenues:

Appropriated Fund Balance (General Fund)	$ 5,875,658.88
Appropriated Fund Balance (Housing Trust Fund)	$ 12,917,367.00
Appropriated Fund Balance (Sustainability Fund)	$ 1,488,355.00
Appropriated Fund Balance (Water Resources Fund)	$ 1,687,846.49
Appropriated Fund Balance (Parking Services Fund)	$ 242,579.93
Appropriated Fund Balance (Street Cut Utility Fund)	$ 285,157.12
Appropriated Fund Balance (Stormwater Fund)	$ 245,340.10
Appropriated Fund Balance (Harrah's Center Fund)	$ 288,457.86
Appropriated Fund Balance (Transit Fund)	$ 1,279,349.50
Appropriated Fund Balance (Health Insurance Fund)	$ 266,671.46
Appropriated Fund Balance (Workers' Compensation Fund)	$ 24,967.50
Appropriated Fund Balance (Property & Liability Fund)	$ 73,108.00

Appropriations:

Various Accounts (General Fund)	$ 5,875,658.88
Various Accounts (Housing Trust Fund)	$12,917,367.00
Various Accounts (Sustainability Fund)	$ 1,488,355.00
Various Accounts (Water Resources Fund)	$ 1,687,846.49
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Various Accounts (Transit Fund)	$ 1,279,349.50
Various Accounts (Health Insurance Fund)	$ 266,671.46
Various Accounts (Workers' Compensation Fund)	$ 24,967.50
Various Accounts (Property & Liability Fund)	$ 73,108.00

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 12th day of December, 2023.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney