



MEMORANDUM

TO: The Honorable Mayor & Town Council

FROM: Hope Toliver, Finance Director/Town Treasurer; Tomeka Morgan, Financial Consultant

COPY: India Adams-Jacobs, MPA, ICMA-CM, Town Manager/Clerk

DATE: February 5, 2026

RE: Budget Amendment- Supplemental Appropriations for Cleanup Entries

The purpose of this memorandum is to request approval of a budget amendment in the amount of \$402,441.03 to provide supplemental appropriations necessary to complete year-end cleanup entries for the Town of Bowling Green.

During the ongoing review of the Town's financial records, certain accounts were identified that require adjustment to properly align expenditures and revenues with generally accepted accounting principles (GAAP) and to ensure accurate financial reporting. These cleanup entries are primarily the result of timing differences, reclassification of expenditures, and the correction of accounting posting discrepancies. No new programs or services are being initiated as part of this amendment.

The proposed supplemental appropriations will allow staff to record these adjustments appropriately within the affected funds and departments, ensuring that account balances accurately reflect actual financial activity. The amendments are either revenue-neutral in nature or are supported by available fund balances. Approval of this budget amendment will allow the Town to maintain transparent and accurate financial records and will support the completion of audits and other financial reporting requirements.

Staff respectfully recommends approval of the attached budget amendment as presented.

Please let me know if additional information or clarification is needed.

Town of Bowling Green, Virginia

Budget Amendment – Supplemental Appropriations

(Code of Virginia §15.2-2507)

Fiscal Year: 2025-2026

Budget Amendment No.: 1

Date Presented to Council: 2/05/2026

Purpose

To approve supplemental appropriations of \$402,441.03 as authorized under **§15.2-2507 of the Code of Virginia** to record cleanup entries necessary for accurate financial reporting and compliance with generally accepted accounting principles (GAAP).

Background

As part of the Town’s ongoing financial review and year-end close process, certain accounts require adjustment to properly reflect revenues and expenditures. These cleanup entries address timing differences, reclassifications, and corrections of prior posting discrepancies. No new programs, services, or positions are created because of this amendment.

Budget Amendment Detail

Fund	Department	Account	Description	Increase	Decrease
100	12110	1150	PT Salaries/Wages	44,615.16	
100	12110	1150	PT Salaries/Wages		27,687.00
100	12110	1101	Salaries/Wages	27,000.00	
100	12110	2210	VRS	3,885.26	
100	12110	2220		135.07	
100	12110	2400	Group Life	318.67	
100	12110	2100	FICA		2,118.05
100	12110	2100	FICA	2,065.50	
100	12110	1150	PT Salaries/Wages	8,846.93	
100	43100	1101	Salaries/Wages		42,480.00
100	43100	2210	VRS		6,001.88
100	43100	2220	Hybrid Retirement		5,315.54
100	43100	2400	Group Life		574.06
100	43100	2100	FICA		3,277.26
100	43100	1101	Salaries/Wages	7,674.43	
100	12110	1150	PT Salaries/Wages	2,714.37	
100	43100	1101	Salaries/Wages	2,714.37	

100	41050	500	Transfer from Water		4,314.55
100	41050	520	Transfer from Sewer		8,201.42
500	500100	1101	Salaries/Wages		14,280.00
500	500100	1101	Salaries/Wages	9,000.00	
500	500100	2210	VRS		2,000.63
500	500100	2210	VRS	1,295.09	
500	500100	2220	Hybrid Retirement		1,771.85
500	500100	2220	Hybrid Retirement	45.02	
500	500100	2400	Group Life		191.35
500	500100	2400	Group Life	106.22	
500	500100	2100	FICA	688.50	
500	500100	2100	FICA		1,092.42
500	500100	1101	Salaries/Wages	1,172.50	
500	500100	1101	Salaries/Wages	2,714.37	
500	93100	100	Transfer to General	4,314.55	
520	500100	1101	Salaries/Wages		14,280.00
520	500100	1101	Salaries/Wages	9,000.00	
520	500100	2210	VRS		2,000.63
520	500100	2210	VRS	1,295.09	
520	500100	2220	Hybrid Retirement		1,771.85
520	500100	2220	Hybrid Retirement	45.02	
520	500100	2400	Group Life		191.35
520	500100	2400	Group Life	106.22	
520	500100	2100	FICA	688.50	
520	500100	2100	FICA		1,092.42
520	93100	100	Transfer to General	8,201.42	

Note: To move salaries from vacant position - Community Development for contracted services

500	500100	3410	Contracted Services	150,000.00	
500	41050	500	Use of Fund Balance		150,000.00

Note: To increase contracted services for Webb & Associates

100	12410	3150	Professional Services	70,000.00	
100	41050	0002	Use of Fund Balance		70,000.00

Note: To increase contracted services for professional services contract with CyM

500	500100	6022	Water Testing	116,000.00	
500	20111	100	State Revenues		87,000.00

500	41050	500	Use of Fund Balance	29,000.00
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<i>Note: To increase contracted services for water testing with Stantec, 75% paid by a state grant</i>				
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320	31100	3600	Marketing	2,500.00
320	31100	3500	Printing	1,500.00
320	32100	100	EDA Loans & Grants	2,500.00

320	41050	0060	Use of Fund Balance	6,000.00
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<i>Note: Use of EDA Fund balance to allow for FY 26 expenditures</i>				
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500	500100	5210	Mailing Cost	451.52
500	500100	5210	Mailing Cost	4,741.84
520	500100	5210	Mailing Cost	4,741.84
500	41050	500	Use of Fund Balance	5,193.36
520	41050	0002	Use of Fund Balance	4,741.84
100	12410	5210	Postage	3,044.12
100	12410	5210	Postage	400.00
100	12110	3100	Contingency	3,444.12

<i>Note: To increase mailing and postage costs for increase in mailings. Use of contingency and fund balance.</i>				
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100	40407	100	Grant	4,000.00
100	12410	1200	PT Salaries/Wages	3,694.00
100	12410	2100	FICA	306.00

<i>Note: To increase Finance PT salaries for intern, grant funded</i>				
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100	12410	3600	Late Fees and Penalties	6,516.84
100	41050	0002	Use of Fund Balance	6,516.84

<i>Note: To cover increased late fees and penalties for IRS payables, use of fund balance</i>				
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100	12410	3120	Audit	36,544.87
100	41050	0002	Use of Fund Balance	36,544.87

<i>Note: To cover increased audit charges due to multi year audit completion, use of fund balance</i>				
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Source of Funding

Pursuant to §15.2-2507, the supplemental appropriations are funded by:

- Unanticipated Revenues of \$91,000
- Available Fund Balance of \$307,996.91 (General - \$113,061.71, EDA - \$6,000, Water - \$184,193.36, and Sewer - \$4,741.84)
- Transfer Between Funds of net \$0
- Other Authorized Source of Contingency usage of \$3,444.12

Fiscal Impact

This amendment is both revenue neutral and supported by available fund balance and does not adversely affect the Town's overall financial position. The amendment is administrative in nature and intended to ensure accurate financial reporting.

Recommended Action

Staff recommend that Town Council approve the supplemental appropriations as presented.