



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

January 19, 2023

AGENDA TOPIC: Consideration and possible action to take from the table the Resolution and its amendment relating to the approval of allocating portions of the fund balance of the general fund and authorizing the Director of Finance to carry forward continuing appropriations to FY 2022-23.

DATE: January 19, 2023

DEPARTMENT: Finance

PRESENTED BY: Rosie G. Vela, Director of Finance

INTRODUCTION/BACKGROUND:

At the January 5, 2023 Council meeting, a resolution was brought forth for Council consideration allocating portions of fund balance of the general fund and authorizing the Director of Finance to carry forward continuing appropriations to FY 2022-23. The resolution included transferring a remaining unassigned general fund balance of \$774,394 to the Strategic Projects Fund 02 for future capital projects. Council modified the resolution but decided to table this item to review after modifications have been made (today's meeting).

The resolution has been revised to leave general fund unassigned fund balance in the general fund unassigned category until further Council action. This resolution is to formally document the affirmation of fund balance allocations in the General Fund for the Fiscal Year Ended September 30, 2022, and carryover encumbrances and continuing appropriations into the next fiscal year.

After all categories of fund balance have been allocated pursuant to GASB 54, and the assigned operating reserve has been funded to comply with City policy, the annual financial report for FY 2021-22 projects a remaining balance in the General Fund unassigned category of \$774,394. The final unassigned fund balance may differ after the financial statement audit is accepted by City Council.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The resolution furthers compliance with Governmental Accounting Standards, citizen transparency and best practices in financial management. The carryover of continuing appropriations is necessary when appropriation and encumbrance balances from a fiscal year that has ended remain unspent. These amounts are required to be carried forward into the next fiscal year to facilitate the completion of projects, contracts, or activities for which the funds were originally awarded.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The fiscal impact is an increase in appropriations for Fiscal Year 2022-23 in the amount of \$357,803 for encumbrances and \$3,435,283 in continuing appropriations for strategic and capital projects.

LEGAL ANALYSIS:

Resolution approved as to form by City Attorney.

RECOMMENDATION/PROPOSED MOTION:

I move to take from the table the Resolution and its amendment relating to the approval of allocating portions of the fund balance of the general fund and authorizing the Director of Finance to carry forward continuing appropriations to FY 2022-23.