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**CITY COUNCIL CONSENT ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**January 18, 2024**

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AGENDA TOPIC: Approval of a Resolution allocating portions of the FY 2022-23 General Fund Balances and carryover of encumbrances and continuing appropriations.

DATE: January 18, 2024

DEPARTMENT: Finance

PRESENTED BY: Consent - Summer Fleming, Director of Finance

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**INTRODUCTION/BACKGROUND:**

The purpose of this resolution is to formally document the affirmation of fund balance allocations in the General Fund for the Fiscal Year Ended September 30, 2023, and carryover encumbrances and capital project 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 fiscal year ended September 30, 2023, projects a remaining balance in the General Fund unassigned category of \$1,873,853 of which \$747,811 is allocated for FY 2023-24 budget, \$301,417 is allocated for encumbrances, and \$824,625 remains unallocated. The final unassigned fund balance may differ after the financial statement audit is accepted by City Council.

The City Manager recommends the remaining unallocated fund balance in the General Fund be left unallocated until further Council action.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

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:**

Roll-forward of funds results in an increase in General Fund appropriations for FY 2023-24 in the amount of \$301,417, and an increase in Utility Fund appropriations in the amount of \$338,592 for encumbrances. The Strategic Projects Fund has continuing appropriations totaling \$2,999,537 for strategic and capital projects, the Water Capital Fund has continuing appropriations totaling \$787,833 for capital projects, and the Wastewater Capital Fund has continuing appropriations totaling \$960,409 for capital projects.

**LEGAL ANALYSIS:**

Resolution approved as to form by City Attorney.

**RECOMMENDATION/PROPOSED MOTION:**

Consent - I move to approve a Resolution allocating portions of the General Fund balance and authorizing the Director of Finance to carry forward continuing appropriations for year-end encumbrances, contractual commitments, and capital projects.