



REPORT TO VILLAGE BOARD

ITEM NAME:	Budget Amendment #3: Adjustment to 2025 Debt Service Fund Budget and Other Fund Budgets
MEETING DATE:	April 17, 2025
PRESENTING COMMITTEE:	NA
COMMITTEE CONTACT:	
STAFF CONTACT:	John Jacobs
PREPARED BY:	David Baker

ISSUE: Finance Director John Jacobs found a \$1,223,358 mistake in the 2024 and 2025 Village budget presentations and in the resulting 2024 and 2025 Village tax levy. Our auditors will be at the Village the week of April 21, 2025. Budget Amendments related to addressing the error have the potential to impact the Audit and thus it was important to make related budget amendments prior to the Auditor's arrival. One of the options recommended by the Village's consultants and under previous consideration was to borrow short term funds which would then be repaid in 2026 and added to the tax levy in 2026.

OBJECTIVES: Begin to bring new Board members up to speed on the impacts of the errors and provide an opportunity to potentially take action on a possible Budget Amendment as the new Board will be responsible for managing the impact of the error and the associated Budget Amendment.

ISSUE BACKGROUND/PREVIOUS ACTIONS: Budget Amendment #2 was made on April 14th, 2025 by the previous Board following the recommendations of John Jacobs. Jacobs and Baker had extensive discussions regarding the impact of the error and the Budget Amendment #2 and are in agreement on the path forward.

Budget Amendment #2 included a) a reduction of \$225,533 in the 2025 General Fund Expenditures for use in 2025 Debt Service, b) moving the \$200,000 budgeted in 2025 for the Capital Project Fund to use in 2025 Debt Service, and c) moving the \$86,000 budgeted in 2025 for the Internal Equipment Replacement Fund to use in 2025 Debt Service.

A goal of the potential Budget Amendment #3 was to restore the funding of the 2025 Capital Projects Fund and the 2025 Internal Service Fund by utilizing some of the difference in projected general expenditures versus budget. The best available current estimate of this difference is based on 9/30/2024 estimates and thus has a low level of reliability.

PROPOSAL: Postpone the decision on the potential additional Budget Adjustment #3 to provide time for John to prepare preliminary 2024 results and 1st quarter 2025 results. This will provide a much higher level of confidence in the financial data and provide a sound basis for a decision. John has identified potential budget transfers which would provide the desired outcome without impacting the 2024 Audit.

ADVANTAGES:

DISADVANTAGES:

ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)

RECOMMENDED ACTION: Take no action at this time, review again at 1st Village Board meeting in June, 2025. Jacobs and Baker will meet regularly for updates.

OTHER OPTIONS CONSIDERED:

TIMING REQUIREMENTS/CONSTRAINTS:

FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$

Remaining CFY

Account Number:

Description:

Budgeted Amount:

Spent to Date:

Percentage Used:

Remaining:

ATTACHMENTS (describe briefly):