

Montgomery City Council
AGENDA REPORT

Meeting Date: December 12, 2023	Budgeted Amount: N/A
Department: Administration	Prepared By: Maryann Carl

Subject

Consideration and possible action on AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING ITS MUNICIPAL BUDGET FOR THE FISCAL YEAR 2022-2023; APPROPRIATING THE VARIOUS AMOUNTS HEREIN, AS ATTACHED IN EXHIBIT A; CONTAINING FINDINGS AND A TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Recommendation

Approve the ordinance present for FY23 Budget Amendment #4 for year-end entries.

Discussion

This year-end budget amendment is a “housekeeping” item necessary for the FY23 audit process. The adjustments made to the line items included in Exhibit A bring all line items to actual revenue and expense totals for fiscal year 2022-2023.

A few things to keep in mind when reviewing Exhibit A:

- A negative amount under year-end adjustment **revenue** means we fell short of our projected revenue, while a positive amount means we collected more revenue.
- A negative amount under year-end adjustment **expense** means that we did not spend what we expected to, while a positive amount means we spent more.
- In the Capital Projects fund, notes that indicate items were unanticipated expenses refers to original budget and does not reflect items that were brought to council during the year.

Below is a summary of the details in Exhibit A, also found on page 15 of the exhibit:

Fund	Original Total Budget	Current Total Budget	Fiscal Activity	Year End Surplus (Deficit)
100 - General Fund	258.00	(45,742.00)	728,512.56	774,254.56
150 - Montgomery PID	17.00	17.00	225.00	208.00
200 - Capital Projects	0.00	210,338.00	(70,622.88)	(280,960.88)
300 - Water & Sewer	0.00	0.00	(409,599.88)	(409,599.88)
400 - MEDC	0.00	0.00	723,710.63	723,710.63
500 - Debt Service	0.00	0.00	(56,030.44)	(56,030.44)
600 - Grant Acct	0.00	0.00	0.04	0.04
700 - Court Security	10.00	10.00	(202.97)	(212.97)
750 - Court Technology	1,060.00	1,060.00	590.03	(469.97)
800 - Hotel Occupancy	30.00	30.00	3,571.21	3,541.21
850 - Police Asset	10.00	10.00	19.19	9.19
TOTAL	1,385.00	165,723.00	920,172.49	754,449.49

The following is an explanation of each column in the table:

Montgomery City Council
AGENDA REPORT

- **Original Total Budget** - projected year-end surplus/(deficit)
- **Current Total Budget** - projected year-end surplus/(deficit) after budget amendments
- **Fiscal Activity** - unaudited surplus/(deficit) based on revenue and expenses
- **Year End Surplus (Deficit)** - the difference between the Current Total Budget (where we projected to be at the end the year) and the Fiscal Activity (where we actually finished the year)

Based on unaudited numbers, General Fund, Montgomery PID, MEDC, Grant Acct, Court Technology, Hotel Occupancy, and Police Asset all have a year-end surplus. Capital Projects, Water & Sewer, Debt Service, and Court Security show a year-end deficit.

The deficit in Capital Projects, Water & Sewer, and Debt Service is attributed to the original budget reflecting a “Use of Surplus Funds” under revenue. Since revenue was recorded in a prior year, the adjustment to fund balance will be made during the audit. In addition, an audit entry was made to Capital Projects and Water & Sewer which artificially inflates the deficit in these two funds. As a result, the amount of surplus to be used will likely be less than originally anticipated.

Approved By		
Finance Director	Maryann Carl	Date: 12/8/2023
City Administrator	Gary Palmer	Date: 12/8/2023