

Village of Thornton

Memo

To: Mayor Reynolds and Board of Trustees

From: Arlette Frye, Treasurer

cc: Vivian Payne, Village Administrator

Date: 6/11/2025

Re: Proposed Budget for Fiscal Year Ending 4/30/2026

Attached is the proposed budget for the fiscal year ending April 30, 2026. The operating budget is the document that staff uses throughout the year to monitor authorized spending activity. This budget, once approved, is what you will see in your monthly financial reports with comparison to actual expenditures to date.

This budget is based on anticipated revenues that we expect to receive during the year. One component of those revenues is the annual tax levy. This budget drives the tax levy that you will be asked to approve in December 2025. This budget is based on a tax increase over last year's extended levy of 4.9%. This means that if the board chooses to not approve a 4.9% increase in December, there will not be sufficient revenues to cover anticipated expenses.

Included in this budget are items to account for cash flow between funds. The General Fund in the administration department includes a transfer to the Capital Fund of \$240,000. The Village has a fund balance policy which indicates that excess over a required fund balance be transferred to the Capital Fund. This analysis and transfer is typically done following the release of the audited financial statements. The Village has not made a transfer for the FYE24 or FYE25. The transfer in this budget is to anticipate those transfers.

Contingency amounts within this budget are for unanticipated items. To be used only if additional revenues are received. The General fund has a contingency of \$150,000, as well as the Water Fund contingency of \$50,000. These contingencies can only be used if the board approves a line item transfer to a specific account. While it may appear that these two funds are being budgeted at a deficit, when accounting for the contingency and fund transfer mentioned above, there are sufficient revenues to cover current year's expenses.

Within this budget, there are accounts that list detail expenses. This detail is not to be considered a budgetary control. The detail within an account is solely to aid staff and to give you an understanding of what makes up an account total.

This budget will drive the preparation of the Appropriation Ordinance. The Appropriation Ordinance is the legal spending limit for the Village. The appropriation ordinance will be prepared by adding a 20% buffer to most accounts. By statute the appropriation ordinance must be approved and filed with the County by the end of the first quarter, which would be July 31, 2025.

Should you have any questions please reach out to me.