

Village of Thornton

Memo

To: Board of Trustees

From: Arlette Frye, Treasurer

cc: Melissa Wiak, Acting Administrator

Date: 11/26/2024

Re: Appropriation Line-Item Transfer Request for Fiscal Year April 30,2024

Background:

The board passed an appropriation ordinance which for most accounts was 20% higher than the operating budget. The operating budget is what we use to monitor our month to month expenses as the budget is what is tied to our known sources of funding and cash on hand. However, the appropriation ordinance is the legal spending limit for the fiscal year.

I am submitting a couple of documents for your review:

1. YTD Revenue and Expense compared to the operating budget for April 30, 2024 as of today. There will be a couple of auditor entries in order to reflect some GASB reporting requirements.
2. An excel spreadsheet that compares the YTD for April 30, 2024 to the appropriation ordinance
3. A pdf file Appropriation Amendments which indicates the accounts that need a line item adjustment to the appropriation.

Because the Village's legal spending limit is the Appropriation Ordinance it is not necessary to do line item adjustments to the operating budget as the year is complete and there is no further monitoring of operations.

Explanations of some of the variances are noted on document 2 and 3. To explain some of the salary variances, according to GASB, governmental funds do not record as an operating expense compensated absences (accrued vacation, sick time) except if the wages are expected to be paid out within the next fiscal year. This occurred this year with the retirement and departure of several key employees. Other smaller salary variances occurred when there are more days in accrued wages at the end of the year than at the beginning and there are wage increases in the accrued wages from one year to the next (COLA adjustments). Both of these situations occurred creating small variances in the salary line items. As you will remember the appropriation ordinance did not include an increase for salaries over the operating budget. Therefore these yearend accruals will cause a variance to the appropriations.

Document 3. Appropriation Amendments is the request for line item adjustments to the Appropriation Ordinance. All adjustments are with line items of each department. The highlighted column indicates the amount being transferred to and from each account indicated. It is important that should the Board wish to approve these adjustments that the approval be done at the December 2 meeting as this will delay the

finalization of the issuance to the audit report. Attorney Dillner will prepare a resolution to accompany the budget request.

Request for action:

I am requesting that the Village Board approve Appropriation line item adjustments as presented in document 3 – Appropriation Amendments for the fiscal year ending April 30, 2024.