



Agenda Action Form Overview

Budget Ordinance Amendment No. 25BCC034 FY 2024-25 Encumbrance Rollover – increasing multiple Funds Budgeted Expenditures and Revenues by a total of \$20,595,966.63

Background/Justification

The Board is requested to Budget Ordinance Amendment No. 25BCC034 FY 2024-25 Encumbrance Rollover – increasing multiple Funds Budgeted Expenditures and Revenues by a total of \$20,595,966.63

Encumbrances outstanding at fiscal year-end represent obligations/commitments entered by the County for either services not yet completed or performed, or goods not yet received. This money must be restricted in the fund balance within the equity section of the balance sheet for FY 2023-24 to honor these obligations/commitments once completed and/or received. These encumbrances outstanding at year-end do not represent expenditures or liabilities. These encumbrances outstanding are included in the amount reported as “Restricted Stabilization by State Statute” in the fund balance section of the Balance Sheet in the Annual Comprehensive Financial Report (ACFR).

According to generally accepted accounting principles (GAAP), governmental type funds are the only funds to record encumbrances in the ACFR. However, during the fiscal year, the County maintains encumbrances (purchase orders and service contracts) for all fund types (governmental and proprietary) to ensure funds are set aside for obligations and commitments appropriately at the time that they are ordered and/or entered into. Because these encumbrances lapse at year-end and are re-appropriated in the subsequent fiscal year, they do not affect unassigned fund balance. It is merely a re-appropriation in the subsequent fiscal year of funds for obligations and commitments for goods and services already ordered but not yet received in the prior fiscal year. Encumbering these funds is a statutory requirement.

Policy Impact

N/A

Procurement Background

There is no fiscal impact. These funds are in “Reserve for encumbrances” fund balance in each of the funds. This amendment appropriates the reserve for encumbrances fund balance in the current fiscal year to honor the outstanding commitments as of fiscal year end 2023.



Fiscal Impact

There is no fiscal impact. These funds are in “Reserve for encumbrances” fund balance in each of the funds. This amendment appropriates the reserve for encumbrances fund balance in the current fiscal year to honor the outstanding commitments as of fiscal year end 2023.

Recommendation

The County Manager recommends that the Board approve Budget Ordinance Amendment No. 25BCC034 FY 2024-25 Encumbrance Rollover – increasing multiple Funds Budgeted Expenditures and Revenues by a total of \$20,595,966.63

