



Legislation Text

File #: 22047, **Version:** 1

Fiscal Note

The adopted 2011 Operating Budget includes \$400,000 for prior-year encumbrances. Since actual encumbrances at the end of 2010 totaled \$453,302, the difference of \$53,302 must be appropriated from the Contingent Reserve. Following adoption of this resolution, the available Contingent Reserve balance is expected to total \$846,698. There is no impact on the tax levy or State Expenditure Restraint Program eligibility limits.

Title

Allocating \$400,000 appropriated in the 2011 Operating Budget for prior-year encumbrances and appropriating an additional \$53,302 from Contingent Reserve to fund actual 2010 year-end encumbrances in various departmental accounts.

Body

PREAMBLE

In governmental accounting terminology, encumbrances are outstanding purchase orders and other contractual commitments for expenditures that have been incurred but not yet paid. Any encumbrances that remain open at the end of the budget year must be paid and charged to expense in the subsequent year. Governmental accounting rules require that such expenses be charged against the adopted budget when prior-year encumbrances are paid.

The City of Madison included a \$400,000 appropriation for prior-year encumbrances in the miscellaneous section of the adopted 2011 budget. The difference between the total of this budgeted amount and the total actual carry forward of encumbrances must be appropriated from the Contingent Reserve.

A total of \$453,302 of encumbrances remained open at the end of 2010. Thus, \$53,302 must be drawn from the Contingent Reserve in 2011 to fund the amount of actual encumbrances in excess of the \$400,000 included in the originally adopted 2011 budget.

WHEREAS, the 2011 Adopted Budget includes appropriations for estimated prior-year encumbrances totaling \$400,000 and actual carry-forward encumbrances at the end of 2010 totaled \$453,302;

NOW, THEREFORE, BE IT RESOLVED, that \$400,000 be allocated from the miscellaneous appropriation for prior-year encumbrances and that an additional \$53,302 be appropriated from the Contingent Reserve to the following departmental adopted budgets to fund expenditures for the 2010 year-end actual carry-forward encumbrances:

Allied & Emerging Neighborhoods: \$27,967 (Various Uncompleted Contracts)
Community Development Division: \$20,518 (Uncompleted Contract)
Engineering: \$179,178 (Supplies and Purchased Services)
Fire: \$51,741 (Supplies and Purchased Services)
Planning Unit: \$149,346 (MPO Consulting Contract, Neighborhood & Arts Grants)
Police: \$24,552 (Supplies and Purchased Services)

TOTAL: \$453,302