



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 21, 2021

TOPIC: Carry-Over of Unspent Amounts from Fiscal Year 2020-21 to Fiscal Year 2021-22

AGENDA TITLE:

Approve Appropriation Adjustment to Carry Over Unspent Amounts from Fiscal Year 2020-21 to Fiscal Year 2021-22

RECOMMENDED ACTION

1. Approve an Appropriation Adjustment to reduce the FY 2020-21 budget for unspent amounts to be carried over to FY 2021-22.
2. Approve an Appropriation Adjustment to increase the FY 2021-22 budget for amounts carried forward from FY 2020-21.

DISCUSSION

Carry Over Unspent Budgets from FY 2020-21

It is common for a city to budget for non-recurring (one-time) expenditures, such as construction projects, which are not completed by the close of the fiscal year on June 30. When this happens, the City Council may approve "carry-over" of the unspent budget from one fiscal year to the next to provide resources for project completion. Staff typically does not request carry-over for recurring operating budget amounts unless projects have not begun, with initial maintenance/operating costs, as each annual budget already includes provisions for operational expenses.

The City Council adopts a budget one year at a time and the City's Charter requires City Council approval for appropriation adjustments. Increasing the current year's budget for unspent amounts carried over from the prior year constitutes an appropriation adjustment.

Staff has compiled a list of carry-over requests (Exhibit 1) such as multi-year capital/grant projects, delayed purchases impacted by COVID-19, and improvements to City-owned fire stations. The list includes the: accounting unit, project description and status, and amount. All requests were reviewed with City departments and analyzed to ensure the unspent budget is available at the accounting unit and fund levels and the allocation is non-recurring.

Approve appropriation adjustment to carryover unspent amounts from
Fiscal year 2020-21 to fiscal year 2021-22.

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Each amount on the list includes the amount available one month after the end of FY 2020-21. Staff continues to pay FY 2020-21 invoices through the end of August and complete the reconciliation of accounts in October. The FY 2020-21 ledger will not be final and closed until the financial statements have been audited in November. Therefore, the requested carry-overs are “maximum” amounts. The actual amounts processed for carryover will be limited to available budget once the FY 2020-21 ledger is closed and is summarized by fund (Exhibit 2). Staff will update FY21-22 revenue estimates for reimbursement grants tied to Carryover amounts (i.e. CDBG) to reflect reimbursement timing.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

There is no fiscal impact associated with the recommended actions to carryover unspent appropriations. The previously authorized expenditures will be spent in a later period, which only impacts the timing of cash flow.

EXHIBIT

1. List of requests to carryover unspent appropriations
2. List of requests to carryover unspent appropriations by fund

Submitted By: Kathryn Downs, FMSA Executive Director

Approved By: Kristine Ridge, City Manager