



MEMORANDUM

**DATE:** March 19, 2013 Budget Workshop  
**TO:** Alderman & Mayor  
**FROM:** Finance Manager Kent Oliven, CPA (koliven@parkridge.us)  
**RE:** **FY13 to FY14 Carryover**

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Sometimes at the end of a fiscal year budgeted capital projects are still in progress. Similarly, at the end of a fiscal year budgeted major equipment purchases have not been made or contractual services have not been performed.

If, at the end of a fiscal year, there are capital projects in progress or if there are unspent major purchases or contractual services they should be budgeted again in the next fiscal year using funds carried over from the prior fiscal year<sup>i</sup>. "Carryovers" is the term used to "re-request" these large budgeted amounts in the subsequent fiscal year.

At the end of FY13 there are a few carryovers, which are detailed below. In all cases, these items were approved by the City Council in the FY13 budget and are being requested in the FY14 budget. They will, therefore, appear on the Fund Balance Scorecard in FY14 as having reduced the FY14's contribution to the General Fund's fund balance. However, there will be no effect on fund balance to these carryovers, as FY13's contribution to fund balance will decrease dollar for dollar from FY14's increase. The FY13 effect on fund balance will also appear on the next fund balance scorecard.

The following are the FY13 to FY14 carryover items:

- 1) Phase I of the Police Department evidence project will still be in progress at fiscal year end. \$318,000 of the budget will need to be moved into FY14;
- 2) \$100k of the \$160k for Fire Department building maintenance projects: epoxy flooring, painting, and ceiling work;
- 3) \$5,000 for City Hall building maintenance;
- 4) \$83,568 for Local 150 retro pay and uniform allowance (tentative deal); and
- 5) And \$153,400 for Fire Department defibrillators.

If we see more invoices for these before the end of the budget process, we will decrease this carryover by that amount.

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<sup>i</sup> In accordance with generally accepted accounting principles (GAAP), expenditures/expenses are recorded when goods or services are received. They are not recorded based upon whether there is money still remaining for that item in a prior year's budget, whether there is an encumbrance from a prior year's budget, or when an invoice is paid.