

QUALIFIED SINKING FUND



Qualified Sinking Fund Summary

Under the Nebraska Budget Act, the Mayor and City Council passed Resolution 98-145 authorizing the creation of a Qualified Sinking Fund to pay for the acquisition or replacement of tangible personal property with a useful life of five years or more. The Qualified Sinking Fund is required to be maintained separately from the General Fund. This fund was created to provide a mechanism for setting aside funds periodically to be used for future projects. The original resolution earmarked \$50,000 in the Qualified Sinking Fund, however it was maintained in the General Fund balance.

Revenue for this fund comes from interfund transfers. Likewise, since 1998, there have been no expenditures or transfers out of this fund. As a result, an official transfer of \$50,000 is being made in FY18.

Discussion of the Qualified Sinking Fund initiated as staff was trying to identify a mechanism to reserve the annual holiday lights funding allocations for a time in which additional equipment could be incorporated with the new Civic Center Park and Corridor 84 Streetscape improvements. During the conversations a number of other ideas came up about how we could use the Qualified Sinking Fund to prefund other significant acquisitions. These discussions will continue

and a recommended policy will be brought forth for consideration as part of the update to the City's financial policies.

FY19 & FY20 BUDGETS

Revenue — Revenue for this fund comes from interfund transfers. It is recommended that transfers of \$50,000 from the Lottery Fund be made in FY19 and FY20 to this fund for future holiday lights projects.

Expenditures — There is no recommendation for any expenditures in FY19 or any expenditures in FY20.

Fund Balance — The estimated year-end fund balance for FY19 is \$100,000 and for FY20 is \$150,000.

QUALIFIED SINKING FUND BUDGET SUMMARY

	FY17 Actuals	FY18 Budget	FY18 Estimated Year-End	FY19 Proposed Budget	FY20 Proposed Budget	FY21 Projected Budget	FY22 Projected Budget	FY23 Projected Budget
Beginning Fund Balance	-	-	-	-	50,125	50,375	50,625	50,875
Operating								
Revenue	-	-	-	125	250	250	250	250
Expenditures	-	-	-	-	-	-	-	-
Surplus/(deficit)	-	-	-	125	250	250	250	250
Non-Operating								
Transfers-In	-	-	-	50,000	-	-	-	-
Transfers-Out	-	-	-	-	-	-	-	-
Surplus/(deficit)	-	-	-	50,000	-	-	-	-
Net Revenue	-	-	-	50,125	250	250	250	250
ENDING FUND BALANCE	-	-	-	50,125	50,375	50,625	50,875	51,125