
City of Grand Island

Item G28

#2001-355 Approving FY2000-2001 Year-End Encumbrances to Amend FY2001-2002 Annual Budget

Each year we bring before the City Council our fiscal year-end encumbrances for approval to ensure that we utilize unused appropriation from the previous year. Encumbrances represent commitments related to contracts not yet performed or for outstanding Purchase Orders at year-end. Attached is a summary of encumbrances by Fund that we requesting to be "rolled forward". By rolling forward these encumbrances, we are allowing unused appropriation from FY2000-2001 to be used in the FY2001-2002 budgets. Each Department includes encumbrances in their cash projections during the budget process, so there is minimal cash flow effect on the FY2001-2002 budget. Staff approval is recommended. See staff memo.



Tuesday, December 18, 2001

Council Session

December 13, 2001

To: Mayor and City Council

From: David Springer, Finance Director

RE: Approval of FY00-01 Year end Encumbrances to Amend FY01-02 Budget

Background

Each year we bring before the City Council our fiscal year end encumbrances to be approved by the City Council to ensure we utilize unused appropriation from the previous fiscal year.

Discussion

Encumbrances represent commitments related to contracts not yet performed (executory contracts) and are used to control expenditures for the year and to enhance cash management. In addition to contracts, encumbrances for all outstanding Purchase Orders at year-end. The Finance Department personnel met with each department at the end of the fiscal year to ensure the accuracy of the outstanding encumbrance balance as of September 30, 2001. Attached is a summary of encumbrances by Fund that we are requesting to be "rolled forward". By rolling forward these encumbrances we are allowing unused appropriation from FY00-01 to be used in the FY2001 - 02 budgets. Each Department includes encumbrances in their cash projections during the budget process, so there is no cash flow effect on the FY01-02 Budget. We have in the past discussed the Encumbrance process with the Nebraska State Auditors office and have their approval for how we handle our encumbrances. The State Auditors office recommended that each year we have our City Council approve the encumbrances through a resolution; therefore we are complying with their recommendation.

Recommendation

We recommend that the City Council approve the outstanding encumbrances as of September 30, 2001, which represents unused appropriation from FY00-01.

cc: City Attorney
City Clerk

ENCUMBRANCES
September 30, 2001
Exhibit A

<u>FUND</u>	<u>FUND #</u>	<u>ENCUMBRANCES</u>
General Fund	100 \$	1,069,121.47
Enhanced 911 Communications	215 \$	11,703.75
Family Preservation Grant	229 \$	475.00
Community Development	250 \$	8,500.00
Police Grants	260 \$	3,184.42
Downtown Operations	270 \$	52,737.93
Business Improvement District #2	276 \$	2,276.23
Capital Projects	400 \$	3,660,790.70
Solid Waste Agency	505 \$	62,022.74
Golf Course	510 \$	826.37
Sewer Utility	530 \$	170,570.93
Data Processing	605 \$	4,161.23
Central Garage	610 \$	25,654.68
TOTAL	\$	5,072,025.45

RESOLUTION 2001-355

WHEREAS, the City of Grand Island recognizes and uses an encumbrance system for recognizing and paying debts and expenses relating to appropriations remaining at the conclusion of each respective fiscal year; and

WHEREAS, said encumbrances may be paid from said appropriations pursuant to authority granted by the laws of the State of Nebraska; and

WHEREAS, at the close of business on September 30, 2001, there were outstanding encumbrances relating to certain appropriations in the Annual Budget for Fiscal Year 2000-2001 and Program for Municipal Services in the amount of \$5,072,025.45 for all funds, the details of which are shown on Exhibit "A" attached hereto; and

WHEREAS, it is advisable that the Mayor and Council of the City of Grand Island, Nebraska, review and approve said encumbrances.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the encumbrances shown on Exhibit "A" attached hereto totaling \$5,072,025.45 for all funds and relating to the Annual Budget for Fiscal Year 2000-2001 and Program for Municipal Services is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska on December 18, 2001.

RaNae Edwards, City Clerk

Approved as to Form	?
December 14, 2001	? City Attorney