

Budgeting 101



What is Budget?

- Policy Document - City Council framework
- Financial Plan - Internally for the staff
- Communication Tool - Public

Things to Know

- We budget on a fiscal year (April 1 - March 31)
- Our budget must balance - fund balance can be used if over our 8% minimum threshold
- We store money in fund balance for emergencies - 8% minimum fund balance

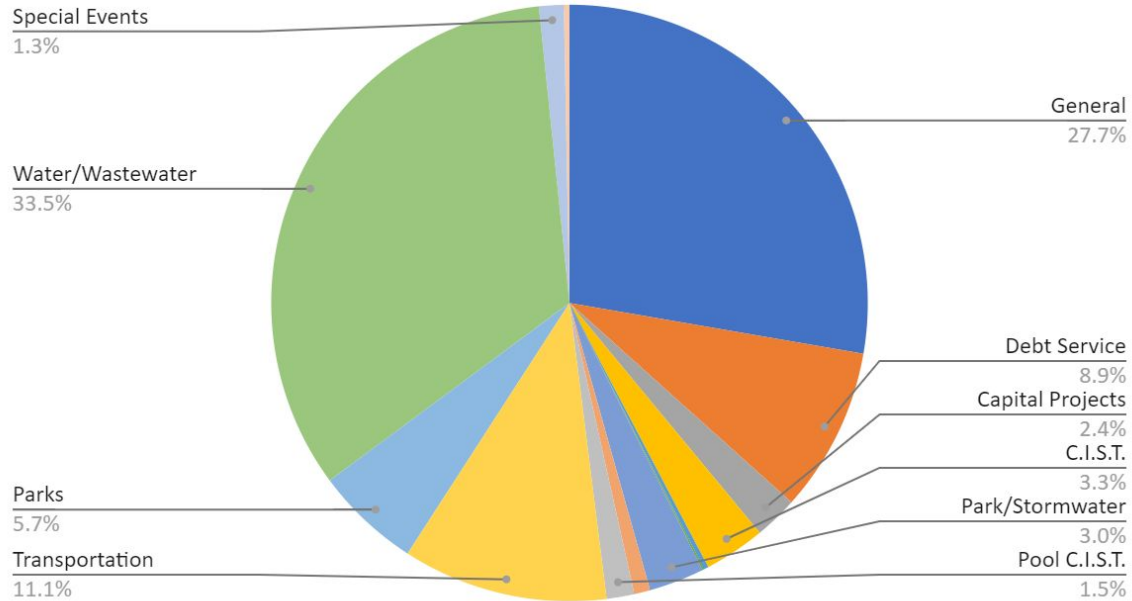
How do we Budget?

- Fund
 - General Fund
 - Special Revenue Funds
 - Internal Service Funds
 - Capital Funds
 - Debt Service Fund
 - Enterprise Fund

Revenues = Expenses

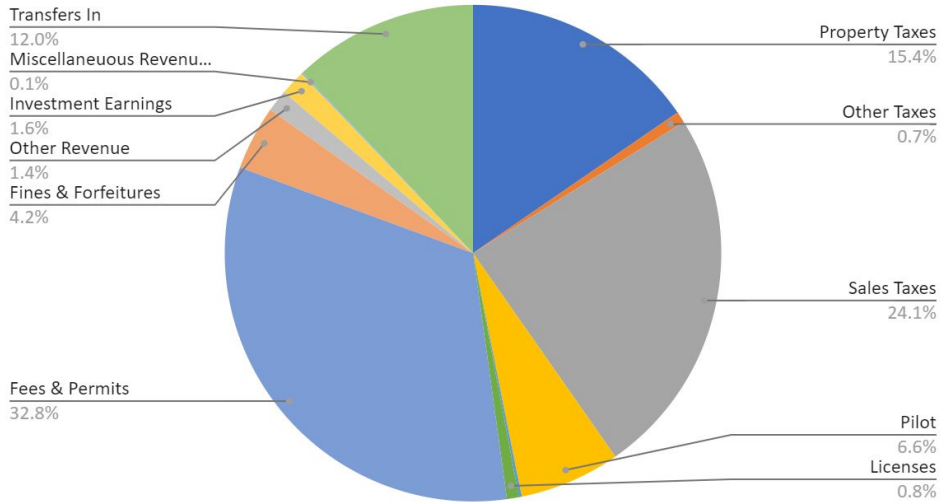
Summary of funds

Budget Revenue FY 2021



General Fund

General Fund Budget Revenue FY 2021



- Expenses
 - Finance & Administration
 - Police
 - Buildings & Grounds
 - Community Development
 - Municipal Court

Special Revenue Funds

- **Park/Stormwater Sales Tax**
 - 0.5% sales tax
 - Dedicated to stormwater projects and parks
- **Park**
 - Property tax, charges for services, transfers in
 - Personnel, operations, recreation programs, swimming pool, City Lake, and capital improvements
- **Transportation**
 - Combination of revenue sources - property tax, sales tax, intergovernmental revenues, transfers in
 - Personnel, operations, and capital projects
 - Roadway maintenance, stormwater projects and system maintenance, and snow operations
- **Public Health**
 - Property tax
 - Animal Control and Property Nuisance
- **Special Events**
 - Fee and sponsorship based
 - Community events such as Cass County Fair, 4th of July Fireworks, Tailgate at the Lake

Special Revenue Funds

- **Excise Tax**
 - Assessed on new development
 - Dedicated to transportation improvements
- **Capital Improvement Sales Tax and Pool Capital Improvement Sales Tax**
 - Sales Tax
 - Covers debt payment for the construction of the pool
 - Capital purchases and improvements to benefit all City Departments (except Water Sewer)
- **Enterprise Funds**
 - Water/Sewer
 - Derives its revenues from fees for services rather than taxes
 - This also includes payments and expenses for trash and recycling service

Debt Service & Capital Funds

- Debt Service Fund
 - Debt levy used to record the annual payment for outstanding debt - non water/sewer debt

Capital Fund

- Capital Projects
 - Established to record expenditures for capital items and capital projects
 - Capital Projects - details grant funding bond proceeds with expenditures

Budget Process

1. Budget Development Framework (September 1-30)
2. Departments prepare budget requests (October-November)
3. Budget Team prepares projected revenue and builds proposed budget
4. Departments presents thru Shark Tank capital requests
5. Present budget to City Council for review and adoption
 - a. Adopt budget by March 31st