

INTRODUCTION: Budget Document and Guide

The Budget as a Financial Plan

This budget document is the annual financial plan for City operations for the period covering Fiscal Year 2021, October 1, 2020 – September 30, 2021. This plan describes sources of revenues and how funds will be spent during the year.

It includes two prior years of actuals and/or budget as appropriate for comparison, the current year budget and/or estimated current year actual and proposed budget year. The document describes the major revenue sources, explains the underlying assumptions for the revenue estimates, and discusses significant revenue trends. Projected changes in fund balances of appropriated governmental funds are included as well as a definition of fund balance maintained by the City. An explanation of the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis, is included.

As a part of the budget review process, the City Council determines the tax rate for each fiscal year. Other fees and fines are also reviewed and adjusted, if necessary. The Council also makes appropriate salary adjustments.

The Budget as a Policy and Management Document

This budget and subsequent accounting reports allow City elected officials, managers and supervisors to isolate potential problems and ensure that City resources are used effectively and efficiently. The process of preparing the budget takes several months and provides the opportunity for our managers to evaluate their operations and to formulate goals and objectives for the upcoming year. Our budget system provides a means of monitoring process toward those goals throughout the year.

Our budget, ongoing accounting reports and detailed financial information to the line item level are also available for the public to review on an ongoing basis via the City's financial transparency portal on our website at www.sandpointidaho.gov.

The Budget as a Communication Device

The budget document provides summary and detailed line item information on the services, programs and initiatives the City will deliver to its citizens and others. The budget is an expression of the City Council's policy direction.

The Budget as an Accounting and Control Mechanism

The budget is the foundation for the proper accounting of City funds. It expresses in financial terms the goals and plans of the City Council. The types and amounts of authorized expenditures and the means for financing them are set forth in the budget. Once the budget is adopted and recorded in the accounting system, it serves as a control device to keep spending within authorized limits.