



Budget 101

CITY OF SULTAN

What are the Rules?

- ✦ Established by state law
- ✦ BARS (accounting) system
 - Guidelines for managing city funds and budgets
 - All cities are required to follow BARS system
 - State Auditor rules
- ✦ Budgets vs. Funds
 - Budgets are good for one year (January 1-December 31)
 - Funds balances are carried over to the next year

Annual Budget Process

☀ One-year Budget

- Expires each year on December 31
- All “unspent” funds are returned to the “reserve” accounts

☀ Process begins in June

- Budget for City Council consideration is due by October 31

☀ What happens if you don't spend your money?

- Budget allocation (e.g. what you wanted to buy) is unavailable unless you rebudgeted the purchase in the following year.



Where does the Money Come From?

- **General Fund**
- Property Taxes
- Sales and Use Taxes
- Utility Taxes
- Permit and Land Use fees
- Violations – Fines and Forfeitures
- Investment Interest

- This is a tax and user fee supported fund. Revenues can be used to support the Street Fund and for capital items. These funds can be used for support of the enterprise funds – Water, Sewer, and Garbage

WHERE DOES THE MONEY COME FROM

- ✿ Operating Funds – Public Works Department
 - Street Fund
 - Property taxes, MVET, and B&O electrical utility tax
 - Parks Fund
 - General Fund (property taxes, sales tax, etc.)
 - Cemetery Fund
 - User fees
 - Water, Sewer, Garbage
 - User fees
- ✿ Capital Funds
 - Parks and Streets = Impact fees
 - Water and Sewer = General Facility Charges (GFC),
- ✿ CR Equipment and CR Reserves
 - Timber Sales
 - Fund transfers from Operating Funds