



Budget Foundation – Financial Plan Organization

2025-27 Financial Plan

Summary

The organization of the Financial Plan has been incrementally improved with past budget cycles and closely aligns with the Government Finance Officers Association (GFOA) best practices. The City has been recognized by GFOA's Distinguished Budget Presentation Award Program, reflecting the City's commitment to preparing a budget document of the very highest quality. For the 2025-27 Financial Plan, staff has identified several areas for improvement to the document to increase transparency and ease of understanding for readers.

The 2023-25 Financial Plan can be found [here](#).

Overarching Goal

The budget document serves many purposes. According to GFOA best practices, the document should be a Financial Plan, a Policy Document, an Operations Guide, and a Communications Device.

To serve all of these goals effectively, the budget document also needs to be concise and transparent. The changes staff is planning to make are all intended to improve the ability to communicate the important information contained in the document and improve the experience for the reader.

Department Summaries

Balancing the level of detail provided with the ease of finding information is challenging. For the 2025-27 Financial Plan, in line with the City's overarching goal of transparency and experience for the reader, staff plans to shift the emphasis on financial tables in department summaries from the more granular division (cost center) level to the department level.

The primary reason for this focus shift is that budgetary control has historically been implemented at the department level. Department heads have discretion on how to allocate resources between their various programs. Further, many departments collaborate across programs to deliver on their work products. As an illustrative example, the Finance Department's Budget Division has a headcount of one Full Time Employee, but others in the Finance Department contribute to budget activities. As a result, the division's expenditures do not necessarily reflect the Finance Department's true cost of preparing and administering the budget.

Specifically, staff plans to prioritize financial tables and summaries at the department level so that the reader is not forced to add up multiple program level tables on their own. In addition to financial summaries at the department level, staff also plans to include tables to identify costs at the division (cost center) level in order to provide two views of departmental budgets. The below tables illustrate how this information will be presented in the Financial Plan:

Expense Categories

Expenditures can be identified in many ways. For accounting purposes, they are identified by a General Ledger Account Number, which is an unique numeric code with a specific meaning. These account numbers can also be grouped into broader categories. For example, the accounts for salaries, healthcare, and retirement contributions are condensed into a category called "Staffing." Budgets are still prepared at the more granular account level for internal tracking and purposes, but financial tables in budget documents report at the category level to enhance readability and align with budgetary controls. Staff plans to examine the categories currently used to determine how to consistently display financial information across all departments in a manner that clearly identifies budgetary trends for similar types of expenditures.

Fund Balance Reporting

Previous budgets have reported revenues separately from expenditures. As a largely tax funded organization, the City's revenues generally cannot be linked directly to expenditures. In addition to being reported separately, revenues and expenditures historically have not equaled one another. The difference between revenues and expenditures has always been equal to the addition to or use of fund balance. For the 2025-27 Financial Plan, staff plans to present consolidated financial tables that include use of, or contribution to, fund balance and clearly demonstrate to the reader that the recommended and adopted budgets are in balance.

City Council Guidance

In addition to the changes noted above, staff welcomes input and guidance from the City Council on other desired updates to the format of the 2025-27 Financial Plan document.