

Fiscal Year	The District shall operate on a fiscal year beginning September 1 and ending August 31.
Budget Planning	Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.
Budget Meeting	<p>The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:</p> <ol style="list-style-type: none">1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.
Authorized Expenditures	The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget.
Budget Amendments	The Board shall amend the budget when a change is made in increasing any one of the functional spending categories or increasing revenue object accounts and other resources.
Financial Policy and Objectives	In order to meet its mission, the District depends on its property tax collections for the majority of its funding. Additionally, the District receives limited state aid and grant revenues. The District receives its revenues at various intervals during the year, and the majority of its revenue is received through tax collections in late January and February of each year.

The District recognizes the importance of maintaining its financial integrity; therefore, it has developed this policy to support its mission and its goals and objectives.

Financial Stability

In seeking to fulfill its mission, the District shall maintain a high level of financial stability and shall not compromise a long-term financial integrity to achieve short-term benefits.

Funds from Operations

The District's general fund shall provide adequate funding to support the following:

1. Cash flow needs;
2. Quality instructional programs;
3. Bond ratings;
4. Unfunded state-mandated costs;
5. Changes in state funding formulas that impact cash flow; and
6. Unanticipated extraordinary costs.

Revenue

The District's revenue levels shall be evaluated annually with the administration's recommendations giving consideration to the following:

1. Cash flow needs;
2. Bond ratings;
3. Operating requirements;
4. Current business conditions, including the local economy;
5. Economic projections, including property values, the state's economy, legislative issues, and the like;
6. Student growth assumptions; and
7. The projected level of expenditures.

General Operating Fund

All expenditures from the general fund shall maintain the following priorities of obligation:

Expenditures

- Payments of all legal and reasonable expenditures relating to maintenance and operations of the District's general fund.
- Payment to special revenue funds that require a matching amount for federal or state grants, including the child nutrition fund and the construction fund.

Minimum Amount

The general fund shall maintain a balance of one month's projected expenditures.

Debt Service Fund The debt service fund shall maintain a minimum balance of at least ten percent of the District's annual bond payment requirement, net of any state assistance.

Reporting The District shall prepare financial operations reports in accordance with the following:

- Monthly financial reports shall be provided to the Board.
- An annual financial plan (budget) detailing revenues and expenditures shall be provided for the Board's approval prior to July 1 of each fiscal year.
- An annual audit shall be conducted by an external professional auditing firm that includes the necessary details to reconcile the District's financial operations for the year. The audit report shall be submitted for review and approval by the Board after the end of the fiscal year.

Order of Expenditure The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned. Negative amounts shall not be reported for restricted, committed, or assigned funds.

Definitions Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet.

Fund Balance

Fund Balance of the General Fund The fund balance of the general fund, one of the governmental types, is of primary significance because the general fund is the primary fund, which finances most functions in the District. The fund balance of the general fund shall mean the gross difference between general fund assets and liabilities reflected on the balance sheet.

The five classifications of fund balance of the government types are as follows:

Nonspendable Fund Balance 1. Nonspendable fund balance shall mean the portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use (such as the self-funded reserves program). Examples of fund balance reserves for which fund balance shall not be available for financing general operating expenditures include, but are not limited to, inventories, prepaid items, deferred expenditures, and long-term receivables.

Restricted Fund Balance 2. Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor. Examples may include, but are not limited to, child nutrition pro-

grams, technology programs, construction programs, and resources from other granting agencies.

Committed Fund
Balance

3. Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Board. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the District does not have. Board commitments must occur before the end of the reporting period with amounts to be determined subsequently. Examples may include, but are not limited to, construction and renovations; land purchases; and potential litigation, claims, and judgments.

Assigned Fund
Balance

4. Assigned fund balance shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board, the Superintendent, or the Superintendent's designee. The Board delegates by formal action in a scheduled meeting specific persons or groups to assign certain fund balances. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting.

In current practice, such plans or intent may change and may never be budgeted or may result in expenditures in future periods of time. Examples may include, but are not limited to, insurance deductibles, campus activity funds, outstanding encumbrances, program start-up costs, and other legal uses.

Unassigned Fund
Balance

5. Unassigned fund balance shall include amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

The unassigned fund balance shall be the difference between the total fund balance and the total of the nonspendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.