

ANNUAL OPERATING BUDGET

CE  
(LOCAL)

<b>Fiscal Year</b>	The District shall operate on a fiscal year beginning September 1 and ending August 31.
<b>Budget Planning</b>	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.
<b>Budget Meeting</b>	<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"><li>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.</li><li>2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.</li><li>3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.</li><li>4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.</li></ol>
<b>Authorized Expenditures</b>	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.
<b>Budget Amendments</b>	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.
<b>Reporting</b>	<p>The District shall prepare financial operations reports in accordance with the following:</p> <ul style="list-style-type: none"><li>• Monthly financial reports shall be provided to the Board.</li><li>• An annual financial plan (budget) detailing revenues and expenditures shall be provided for the Board's approval prior to September 1 of each fiscal year.</li></ul>

- 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 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.

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

**Fund Balance of the General Fund** The fund balance of the general fund, one of the governmental fund 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.

**Classifications** The five classifications of fund balance of the governmental 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 that 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:

- Inventories;
- Prepaid items;
- Deferred expenditures;
- Long-term receivables; and
- Outstanding encumbrances.

**Restricted Fund Balance** 2. Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor.

Examples include

- Child nutrition programs;
- Technology programs;

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- Construction programs; and
  - Other granting agencies.
- Committed Fund Balance      3. Committed fund balance shall mean the portion of the fund balance that is constrained to a specific purpose by the Board.
- Examples include:
- Potential litigation, claims, and judgments; and
  - Campus activity funds.
- Assigned Fund Balance      4. Assigned fund balance shall mean the 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 chief financial officer.
- In current practice, such plans or intent may change and never be budgeted or result in expenditures in future periods of time.
- Examples include:
- Insurance deductibles:
  - Program start-up, costs; and
  - Other legal uses.
- Unassigned Fund Balance      5. Unassigned fund balance shall include amounts available for any legal purpose. The portion of the total fund balance in the general fund shall be available to finance operating expenditures.
- The unassigned fund balance shall be the difference between the local fund balance and the total of the nonspendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.
- The spending order shall be as follows:
- Committed;
  - Assigned; and
  - Unassigned.