

ANNUAL OPERATING BUDGET

CE
(LOCAL)

Fiscal Year	The District shall operate on a fiscal year beginning September 1 and ending August 31.
Goals and Objectives	<p>The purpose of the budget is to provide a statement, expressed in financial terms, that serves as management's primary tool for planning and controlling operations.</p> <p>Primary objectives of the budget system are to:</p> <ol style="list-style-type: none">1. Assist the formulation of an integrated plan of operations and understanding of how each organization's activities contribute to the overall mission.2. Provide a means of communication between various levels of management by stating the objectives of each organization and the funds necessary to achieve them.3. Provide each organization head with the financial information necessary to perform his or her functions and control expenditures.4. Provide a means of measuring and guiding performance by comparing planned (budgeted) expenditures and workload against actual expenditures and workload.5. Provide the historical data required for realistic budget preparation.6. Relate expenditures to the three-year financial, education, and construction plans.
Budget Planning and Development	<p>Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's goals and the plan 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 site-based committees.</p> <p>The District administration shall allocate funds according to goals and priorities developed by the Board. Staff shall submit a preliminary plan and its rationale in May. The Board shall, at a minimum, receive revised financial estimates in June, July, and August. The Board shall be informed as new information impacting the budget becomes available.</p>
Public 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 provide input 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 legally, ethically, and in accordance with the adopted budget.

Budget Amendments

The Board shall amend the budget when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources. The Superintendent or designee shall recommend budget amendments to the Board for approval.

Reserves

The Board and the administration shall work together to maintain two months unassigned fund balance in the general fund and ten percent of the projected annual debt service payments in restricted fund balance in the debt service fund, barring emergency situations. This level of reserves will accomplish two Board priorities:

1. To provide adequate funds to meet emergency needs.
2. To ensure a favorable bond rating for the District.

In addition, the Board may commit fund balance from time to time in order to meet specific District contingencies. The Board will review and approve fund balance commitments on an annual basis with the adoption of the District's annual budget in August.

Budget Reporting

During the year, the administration shall provide monthly summaries of the budget, as approved, versus actual expenditures.

A running record of all development, construction, and maintenance projects' accrued costs versus budgeted amounts shall be available throughout the year to support deliberations for project approvals.

Audits

Independent audits shall be performed every year or as requested by the Board. [See CFC]

Fund Balance Classification

Fund balance classification shall be recorded in accordance with governmental accounting standards as promulgated by the Governmental Accounting Standards Board.

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.

Fund Balance Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. Governmental fund assets are those of the general fund, special revenue funds, debt service funds, and capital project funds.

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.

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

Nonspendable Fund Balance 1. Nonspendable fund balance, which shall mean the portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use.

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

Committed Fund Balance 3. Committed fund balance, which shall mean that portion of the fund balance that is constrained to a specific purpose by the Board.

Assigned Fund Balance 4. Assigned fund balance, which 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 Superintendent or designee.

In current practice, such plans or intent may change and may never be budgeted, or may result in expenditures in future periods of time.

Unassigned Fund Balance 5. Unassigned fund balance, which 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.