

Fiscal Year	The District shall operate on a fiscal year beginning July 1 and ending June 30.
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. The budget process shall be guided by the Board goals and budget planning parameters. 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 Hearing	<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 for the general fund, the national school breakfast and lunch program fund, and the debt service fund when a change is requested to increase or decrease any functional spending category or revenue and other resources major object category. The Board shall adopt the initial budget by project for each bond sale and amend the budget for capital projects funds when a change is requested to increase or decrease the total amount of any designated project. Finally, other special revenue fund budgets for federal and grant programs shall be presented as needed as supplemental data (as opposed to prior approval) under guidelines adopted by the Board.

Budget Control Primary responsibility for budgetary control rests with the Superintendent. Each budget manager shall be responsible for controlling and amending his or her budget as needed, ensuring that no expenditure is made unless funds have been properly authorized in accordance with CH(LEGAL) and (LOCAL) and that all expenditures demonstrate appropriate and efficient use of District funds. The job description of each budget manager shall include a description of applicable budgetary responsibilities.

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 fund, 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 of 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.

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

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

Nonspendable

1. Nonspendable fund balance shall mean the portion of the gross fund balance that is not expendable or is legally earmarked for a specific use.

Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include:

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

Restricted

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

Examples of restricted fund balances include:

- Child nutrition programs (including outstanding encumbrances);
- Debt service funds;

- Construction programs; and
 - Resources from other granting agencies.
- Committed
3. Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Board. The Board shall approve all commitments by formal action. The action to commit funds must occur prior to fiscal year end; however, the amount may be determined subsequent to fiscal year end. A commitment can only be modified or removed by the same formal action.
- Examples include:
- Potential litigation, claims, and judgments;
 - Activity funds;
 - Internal service funds;
 - Scholarship funds; and
 - Permanent funds.
- Assigned
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 finance committee, the Superintendent, or the chief financial officer.
- The Board delegates the responsibility to assign funds not to exceed \$2 million in the aggregate to the Superintendent and the chief financial officer. The Board finance committee shall have the authority to assign any amount of funds. Assignments may occur subsequent to fiscal year end.
- In the current practice, such plans or intent to utilize fund balance may change and may never be budgeted, or may result in expenditures in future periods of time.
- Examples include:
- Outstanding encumbrances;
 - Insurance deductibles;
 - E-rate reimbursements;
 - Building rental reimbursements;
 - Capital outlay items;
 - Potential special education expenditures; and
 - Other legal uses.

ANNUAL OPERATING BUDGET

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(LOCAL)

Unassigned

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.

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.

Minimum Fund Balance

In order to preserve financial stability, the District must be prepared to respond to cash flow shortages, large or unexpected one-time expenditures, changes in the economy, and changes in state funding. The District shall, therefore, target a yearly unassigned general fund balance between 17 percent (60 days) and 25 percent (90 days) of total operating expenditures. Additionally, the District shall target a yearly minimum restricted debt service fund balance of 25 percent of annual debt service requirements on all outstanding debt issuance and a committed internal service fund balance of 20 percent of total operating expenditures.

Following any year where the audited fund balance falls outside the above-listed targeted range or below the minimum requirement, adjustments in budgeted expenditures shall be incorporated into the budget development process for that year. If the Board determines that the minimum targeted fund balance is not attainable in the proposed budget being considered, it shall be the goal of the Board to reach that level within a specified period of time, not to exceed two years.

Additionally, the Board may establish assignments or commitments of fund balance from time to time in order to meet specific District needs. Assignments and commitments of fund balance shall be vetted and approved by the Board finance committee. Furthermore, commitments of fund balance shall be submitted to the Board for approval.

Revenue

All revenue received by the District shall be deposited as a revenue transaction in the appropriate fund and shall become a part of the fund balance. Any allocation of such revenue from the fund balance shall be approved by the Board as a budget amendment prior to any encumbrance or expenditure.