

FISCAL MANAGEMENT GOALS AND OBJECTIVES

CA
(REGULATION)

Background	To keep the District in a strong financial position, it is the goal of the Board to maintain the fund balances of the operating and debt services funds at an adequate level.
Financial Stability	In seeking to fulfill its mission, the District shall maintain a high level of financial stability and shall not compromise the long-term financial integrity to achieve short-term benefits.
Fund Balance Classification	Fund balance classification shall be recorded in accordance with governmental accounting standards as promulgated by GASB.
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.
Order of Expenditure	<p>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 funds. Negative amounts shall not be reported for restricted, committed, or assigned funds.</p> <p>The five classifications of fund balance of the governmental types are as follows:</p>
Nonspendable Fund Balance	<p>1. Nonspendable fund balance shall mean that portion of the gross fund balance that is not expendable, such as inventories, or is legally earmarked for a specific use.</p> <p>Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include:</p> <ul style="list-style-type: none">• Inventories;• Prepaid items;• Deferred expenditures; and• Long-term receivables.
Restricted Fund Balance	<p>2. Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor.</p> <p>Examples of restricted fund balances include:</p> <ul style="list-style-type: none">• Child nutrition programs;• Technology programs;• Construction programs under a state-funded program (i.e., IFA, EDA, PFC, financed bonds); and

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	<ul style="list-style-type: none">• Resources from other granting agencies.
Committed Fund Balance	<p>3. Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Board.</p> <p>Examples of committed fund balances include:</p> <ul style="list-style-type: none">• Potential litigation, claims, and judgments; and• Campus activity funds.
Assigned Fund Balance	<p>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.</p> <p>When it is appropriate for fund balance to be assigned, the Board delegates the responsibility to assign funds to the Superintendent or Chief Financial Officer.</p> <p>In current practice, such plans or intent may change and may never be budgeted or may result in expenditures in future periods of time.</p> <p>Examples of assigned fund balances that the District may have tentative plans for expenditures in future periods include:</p> <ul style="list-style-type: none">• Capital replacement (expenditures for equipment, furniture, and software);• Building construction, repair, and renovation;• Insurance deductibles;• Program start-up costs;• Debt service reduction; and• Other legal uses.
Unassigned Fund Balance	<p>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. Unassigned fund balance shall mean 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.</p>
Fund Balance Levels	<p>The District shall strive to maintain a yearly balance in the general fund in which the unassigned fund balance is 20 percent of the total operating expenditures. The goal of the debt service fund shall be to maintain a level adequate to meet bonded debt obligations.</p>