

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>Fund Type Definitions</b>	<p>The following definitions shall be used in reporting activity in governmental funds across the District:</p> <ul style="list-style-type: none"><li>• The general fund shall be used to account for all financial resources not accounted for and reported in another fund.</li><li>• Special revenue funds shall be used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.</li></ul>

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- Debt service funds shall be used to account for all financial resources restricted, committed, or assigned to expenditure for principal and interest.
- Capital project funds shall be used to account for all financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of capital assets.
- Permanent funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's purposes.

The District may or may not report all fund types in any given pre-sorting period, based on actual circumstances and activity.

**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.

**Definitions**

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 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, 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. Exam-

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- ples may include, but are not limited to, child nutrition programs, technology programs, construction programs, and resources from other granting agencies.
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| 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. Examples may include, but are not limited to, campus activity funds, 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 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. Examples may include, but are not limited to, 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. 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.   |