

ANNUAL OPERATING BUDGET

CE
(LOCAL)

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. 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.
Availability of Proposed Budget	After it is presented to the Board, the budget shall be posted online on the District's Web site pursuant to Education Code 44.0041. An administrative contact for questions shall be included with the online posting.
Budget Meeting	The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows: 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 when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.
Fund Balance	Fund balance is governmental fund assets plus deferred outflows of resources less liabilities and deferred inflows of resources per the balance sheet reflected in the district's annual comprehensive financial report. Governmental fund assets are the general fund, special revenue funds, debt service fund, and capital projects fund.

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To keep the District in a strong financial position, it is the goal of the Board to maintain the fund balances of the general and debt service funds at an adequate level. The level of adequacy for fund balances shall be 19 percent of the current budget for the general fund (except for nonspendable and restricted) and ~~15~~ 25 percent of the current year debt service requirements for the debt service fund. This level of fund balance shall protect the District against potential revenue shortfalls and shall provide operating funds until tax revenues are received.

If the Board determines that this level of fund balance is not obtainable in the proposed budget being considered, it shall be the goal of the Board to reach this level within a specified period of time, no longer than three 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 liaisons~~. Furthermore, commitments of fund balance shall be submitted to the Board for approval.

**Fund Balance
Classifications**

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

~~The general fund balance may be comprised of several components, as prescribed by GASB statement #54, as follows:~~

1. Nonspendable fund balance – shall mean that portion of the gross fund balance that is not expendable or is legally earmarked for a specific use. Examples include inventories, prepaid items, deferred expenditures, self-funded risk management programs, ~~and long-term receivables, and outstanding encumbrances.~~
2. Restricted fund balance – includes amounts restricted for a certain purpose by the provider, such as a grantor. Examples include federal or state granting agency, construction funds, and retirement of long-term debt.
3. Committed fund balance – shall mean that portion of the fund balance that is constrained to a specific purpose by the Board.
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 and/or the Superintendent. The Board may express intent by formal action or delegate the authority to express intent. Examples include capital replacement, building

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construction, repair and renovation, insurance deductibles, claims and judgments, employee retirement leave reserves, expansion and moving costs, program start-up costs, debt service reduction, [outstanding encumbrance](#), and other legal uses.

5. Unassigned fund balance – includes amounts available for any purpose and not restricted in any way. 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 total fund balance and the total of the nonspendable fund balance, restricted fund balance, committed fund balance, and assigned fund balances.](#)