

## **BUDGET AND FINANCIAL POLICIES**

**Relative Information:** The District prepares and presents an annual budget in which budget and financial policies are identified in detail and summary form. These policies are the foundation for ensuring sound financial practices, financial stability, and support the development of the ensuing fiscal year budget. The key policy components addressed are:

- A. Adopting a balanced budget.
- B. Budgeting revenue trends based on realistic projections.
- C. Diversifying revenue.
- D. Funding Ending Fund Balances 24% of General Fund operating revenues.
- E. Budgeting an Operating Contingency of six (6) percent of General Fund operating revenues (property tax).
- F. Meeting Debt Service obligations.
- G. Funding budgeted capital expenditures.
- H. Funding Capital Project Fund.
- I. Conducting and implementing long-range financial planning.
- J. Investing District funds with the Local Government Investment Pool.
- K. Reviewing, and if necessary, updating the Funds and Financial policies.

**Policy Statement:** It is the policy of the Board of Directors to review and modify as deemed necessary the Budget and Financial Policies of the District annually prior to the development of the proposed budget for the following fiscal year. The approved Budget and Financial Policies will be included in each year's budget document.