

## **ANNUAL OPERATING BUDGET**

The Jefferson Davis Parish School Board shall approve an annual budget for the general fund and each special revenue fund for the fiscal year July 1 to June 30, no later than September fifteenth of each year. The School Board shall submit a copy of its adopted budget to the State Superintendent no later than September thirtieth of each year, as well as a general summary of the adopted budget. The summary shall include projected revenues and receipts, expenditures and disbursements, beginning and ending fund and cash balances. In addition, no later than September 30th of each year, the School Board shall post the most recent budget and general summary on its website.

It shall be the responsibility of the Superintendent and designated members of his/her staff to prepare the operating budgets for submission to the School Board. The budgets shall be prepared on forms in accordance with such rules and regulations as may be prescribed by statutes and by the State Superintendent of Education. Said budgets shall be submitted to the School Board for the purposes of revision and approval prior to submission to the State Superintendent.

After the School Board has reviewed the proposed budget submitted by the Superintendent and his/her staff and made desired changes, if any, the School Board shall cause to be published a notice in the official journal stating that the proposed budget is available for public inspection no later than fifteen (15) days prior to the beginning date for budget adoption. The notice shall also state that a public hearing on the proposed budget shall be held specifying the date, time and place of the hearing. The proposed budget shall not be considered for adoption or otherwise finalized until at least one public hearing has been conducted on the proposal. The School Board shall also cause to be published in the official journal a general summary indicative of the proposed budget. The summary shall be published at least ten (10) days prior to the date of the first public hearing and may be published in the same advertisement as the notice of availability of the proposed budget and the public hearing. The summary shall include:

1. Information on estimated funds available and anticipated disbursements; and
2. Explanations of significant changes from the prior year's budget.

The School Board shall certify completion of all action required by publishing a notice in the same manner as provided above.

No budget shall be approved where expenditures exceed the expected means of financing. No items of expense may be incurred through the year except as provided for in the approved budget unless a revision is adopted and approved by the School Board. The budget shall be reviewed periodically and such financial reports as the School Board directs shall be prepared and presented to the School Board by the

Superintendent.

## FUND BALANCE

The following procedures shall be used for reporting, within the annual financial statements, unrestricted fund balance (comprised of Committed, Assigned, and Unassigned categories) within the School Board's governmental funds: General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

### Definitions

*Fund balance* is the difference between the assets and liabilities reported in the School Board's governmental funds. There are generally limitations on the purpose for which all or a portion of the resources of a governmental fund may be used. The force behind these limitations can vary significantly, depending on their source. Consequently, the fund balance reported in the annual financial statements is categorized into five (5) components whereby each component identifies the extent to which the School Board is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The five (5) components of fund balance are as follows:

Nonspendable: Resources that are 1) not in a spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment.

Restricted: Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Committed: Resources that are constrained to specific purposes by a formal action of the School Board. The constraint remains binding unless removed by the School Board. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned: Resources that are constrained by the School Board's intent to be used for specific purposes, but that are neither restricted nor committed.

Unassigned: Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed.

### Guidelines

1. When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the School Board's policy shall be to first apply *restricted fund balance*. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the School Board's policy shall be to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.
2. The Superintendent shall have the authority to assign unrestricted fund balance amounts where the School Board's intent is for those amounts to be used for specific purposes. This delegation of authority shall be for the sole purpose of reporting these amounts in the annual financial statements.

This policy has been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. No other policy or procedure shall supersede the authority and provisions of this policy.

### DAILY OPERATIONS

The adoption of the original budget and the adoption of all subsequent amendments by the School Board constitute the authority of the Superintendent and administrators of the School Board to incur liabilities and authorize expenditures from the respective budgeted funds during the fiscal year. The Superintendent and the Business Manager have the authority to enter into routine and necessary contracts or agreements to carry out the general business operations of the School Board.

### ASSURANCE OF EQUITABLE FUNDING

The Jefferson Davis Parish School Board shall provide funding for education through local, state and federal sources and shall use funds for the benefit of all students in the district, in compliance with all regulations by state and federal agencies granting such funds. The School Board shall allocate such funds equitably and in the interest of all of the Jefferson Davis Parish Public School students. This ensures equivalence among schools in the provision of curricular materials and instructional supplies. It is the policy of the Jefferson Davis Parish School Board that it maintains an equitable and fair equivalence among the schools in the allotment of teachers, administrators, and auxiliary personnel.

Revised: December, 1995

Revised: November 17, 2011

Revised: September 21, 2023

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 39:1301, 39:1302, 39:1303, 39:1304, 39:1305, 39:1306, 39:1307, 39:1308, 39:1309, 39:1310, 39:1311, 39:1312, 39:1313, 39:1314, 39:1315; Board minutes, 7-21-11, 11-17-11, 9-21-23.