

EAST BAY REGIONAL PARK DISTRICT

RESOLUTION NO.: 2009 – 12 - 309

December 1, 2009

AUTHORIZATION TO ADOPT THE DISTRICT BUDGET POLICY

WHEREAS, the Government Finance Officers' Association's recommended practices include development of financial policies; and

WHEREAS, the recommended financial planning policies include adoption of a balanced budget policy; and

WHEREAS, the District's previous budget policy was adopted each year as language included in the annual budget document and did not include specific wording about the balanced budget requirement; and

WHEREAS, the Budget Policy replaces the language previously included in the annual budget document, formalizes the District's budget policies, expanding upon and encompassing explicit reference to all items recommended for inclusion in a budget policy; and

WHEREAS, on November 19, 2009, the Board Finance Committee reviewed the Budget Policy and unanimously recommended favorable consideration by the Board of Directors;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby accepts the Budget Policy; and

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized and directed on behalf of the District and in its name, to execute and deliver such documents and to do such acts as may be deemed necessary or appropriate to accomplish the intentions of this resolutions.

Moved by Director Lane, seconded by Director Sutter, adopted this 1st day of December, 2009 by the following vote:

FOR: Directors Whitney Dotson, Beverly Lane, Ted Radke, Carol Severin, Doug Siden, John Sutter, Ayn Wieskamp.

AGAINST: NONE.

ABSTAIN: NONE.

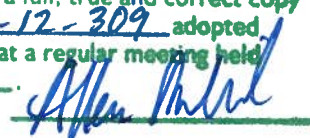
ABSENT: NONE.

CERTIFICATION

I, Allen Pulido, Clerk of the Board of Directors of the East Bay Regional Park District, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2009-12-309 adopted by the Board of Directors at a regular meeting held on Dec. 1, 2009.



Ted Radke, Board President





Policy 5.0 Budget Policy

EFFECTIVE

ADOPTED

RESOLUTIONS

RELATED

- POLICIES* Board Operating Guidelines
- PROCEDURES*
- Budget Preparation
 - Capital Improvement Plan
 - Budget Distribution
 - Budget Changes
 - Budget Controls

POLICY STATEMENT

The District has a balanced budget policy requiring that the annual budget be balanced, with financial resources that equal or exceed uses, at the time of adoption. Financial resources include intra-district charges and transfers in; and uses include capital maintenance/ replacement, intra-district charges and transfers out.

The District follows best practices in budget preparation including:

1. An assessment of constituent needs, priorities, challenges and opportunities.
2. Development of management strategies for long range operating and capital plans.
3. Adherence to budget preparation and adoption procedures.
4. Measurement and monitoring of performance, and adjustment as needed.

The accounting basis used in the budget is the same as is used in the Comprehensive Annual Financial Report. This provides for modified accrual for governmental funds and full accrual for internal service funds except that depreciation is not budgeted.

Unreserved/undesignated fund balance or net assets may be used as a resource to achieve a balanced budget in special revenue funds, debt service funds, capital project funds and internal service funds. General Fund unreserved/undesignated fund balance may be proposed for use as a resource to achieve a balanced budget to address temporary shortfalls in the General Fund when, in the



General Manager's determination, and with Board approval, it is necessary to continue essential services.

The District's fiscal period is a calendar year, which ends on December 31st. The budget preparation and adoption process is prescribed in the District's budget procedures, and is concluded each year with the adoption of the proposed budget by the Board of Directors at the second Board meeting in December.

Performance measures are a valuable tool for measuring performance and strategic allocation of resources. Review of performance measurement objectives, key indicators, targets and accomplishments is incorporated in the budget process and document.

Operating Budgeting

The District's operating budgets are prepared on a basis consistent with Generally Accepted Accounting Principles. The District annually adopts (in compliance with Board Operating Guidelines) balanced operating budgets, where sources (estimated revenues and authorized use of preexisting unreserved, undesignated fund balance) equal/or exceed uses (appropriations). The budget must be balanced at an individual fund level. Annual operating budgets are adopted for the following funds:

- General Fund,
- Special revenue funds,
- Debt service funds, and
- Internal service funds.

Capital Budgeting

The District's capital budget is prepared on a basis consistent with Generally Accepted Accounting Principles. The District adopts balanced capital budgets, which are on a project length basis, rather than an annual basis. Only the changes in project length budgets are reported annually. The capital budget may be prepared on a semi-annual basis. Capital budgets are used for multi-year projects including:

- Acquisition and construction of capital facilities, defined in the District's Capital Asset Policy, and recorded in the Capital Project Fund, and
- Projects, with a cost less than the capitalization limit, as defined in the District's Capital Asset Policy, and multi-year programs, which are not subject to capitalization, both of which are recorded in the Other Than Asset (OTA) Fund.



Budgetary Controls

The District maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board of Directors. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amounts for the operating budgets, is at the Division level. The level of budgetary control for the capital budgets is at the project level, and is the responsibility of the project manager, and the related Division, in charge of the project.

Encumbrance accounting records commitments in advance of payments and is an extension of the formal budgetary process. Non-project related encumbrances, unless otherwise approved, outstanding at year end, lapse and must be re-appropriated as part of the following year's budget. Project encumbrances do not lapse, at year end, since projects are budgeted on a multi-year basis.

All unencumbered appropriations in governmental fund lapse at the end of the fiscal year. Unencumbered appropriations in project funds do not lapse at year end since projects are budgeted on a multi-year basis.

Both operating and capital budgets can be adjusted during the year, if required, in accordance with Board Operating Guidelines.

The General Manager and Assistant General Manager, Finance and Management Services, shall be responsible for ensuring that the budget proposed to the Board of Directors adheres to the balanced budget policy. The Budget Manager, under the supervision and direction of the Chief Finance Officer/Controller performs this function. The District annual budget document will be made available in electronic format on the District's website.