

## 2023-24 Budget Adoption Report of Reserves in Excess of Minimum

### Substantiation of need for reserves greater than the state required minimum reserve for economic uncertainty

District: WILLOWS UNIFIED SCHOOL DISTRICT

CDS #: 11-62661

The governing board of a school district that proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties, shall, at the Budget Adoption public hearing, provide:

The minimum recommended reserve for economic uncertainties;

The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget; and

A statement of reasons to substantiate the need for reserves that are higher than the minimum recommended reserve.

		2023-24
Total General Fund Expenditures & Transfers:	Unrestricted & Restricted	\$ 25,342,928
Minimum Reserve requirement:	3%	\$ 760,288
Board Approved DEU (approved on 11/18/17)	10%	\$ 2,575,000
General Fund Combined Ending Fund Balance:		\$ 11,352,513
Components of ending balance:		
Nonspendable (revolving, prepaid, etc.)		\$ 11,775
Restricted		\$ 7,769,299
Committed		\$ 300,000
Assigned		\$ -
Reserve for economic uncertainties	DEU 10% of Unrest Exp excl. COVID Funds	\$ 2,575,000
Unassigned and Unappropriated		\$ 696,439
Subtotal Assigned, Unassigned & Unappropriated		\$ 3,271,439
Total Components of ending balance		\$ 11,352,513
Assigned & Unassigned balances above the 3% minimum reserve requirement:		\$ 2,511,151
Assigned & Unassigned balance above the Board Approved DEU:		\$ 696,439

#### Statement of Reasons

**The District's Fund Balance includes assigned, unassigned and unappropriated components, that in total are greater than the Minimum Recommended Reserve for Economic Uncertainties, See below the list of items that will require additional district funds:**

In light of ongoing increases in STRS, PERS, and other employer costs, escalating special education program costs, the inflationary impact on general operating expenses and the substantial impact chronic absenteeism and declining enrollment will have on the budget of Willows Unified, the Willows Unified Board of Trustees have proactively established programs and set aside funds to ensure the ability to support ongoing step and column salary increases, continued replacement of obsolete curriculum and technology equipment, and to provide professional development opportunities to staff. The School Board has also set aside reserves to ensure there are adequate resources available to service debt and to provide much needed facility improvements and/or maintenance and repairs in year where funding increases (if any) are generated by cost of living adjustments only and do not keep pace with increasing operational costs. In our current climate of fiscal uncertainty and the expiration of one-time COVID relief allocations, these reserve levels will be an essential component of the District's fiscal stability plan.

Total of Substantiated Needs	\$	2,511,151
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