WILLOWS UNIFIED SCHOOL DISTRICT Office of the Superintendent

Date: June 20, 2016

Request For Placement on Board Agenda:

AGENDA TOPIC: Public Hearing for the Disclosure of the Components

of Ending Fund Balance/District Reserves in Excess of Minimum Reserve Requirements for fiscal year

2016-17

PRESENTER: Debby Beymer, Director of Business Services

BACKGROUND:

Commencing with budgets adopted for the 2015-16 fiscal year, and in accordance with Education Code Section 42127, subparagraphs (B) and (C) of paragraph (2) of subdivision (a), the governing board of a school district that proposes to adopt a budget, or revise a budget pursuant to subdivision (e), that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties adopted by the state board, shall disclose during a public hearing a report of district reserves.

INFORMATION:

Please see attached:

Report of Reserves in Excess of State Minimum, which outlines the districts need for reserves in excess of 3%.

2016-17 Budget Adoption Report of Reserves in Excess of Minimum

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

11-62661

District: WILLOWS UNIFIED SCHOOL DISTRICT

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.

		2016-17
Total General Fund Expenditures & Other Uses	(FUND 01 Unrestricted & Restricted)	\$ 13,752,935
Minimum Reserve requirement	3%	\$ 412,588
General Fund Combined Ending Fund Balance		\$ 4,261,711
Special Reserve Fund Ending Fund Balance		\$ -
Components of ending balance:		
Nonspendable (revolving, prepaid, etc.)		\$ 6,775
Restricted		\$ 2,621,261
Committed		\$ 246,547
Assigned		\$ 512,204
Reserve for economic uncertainties		\$ 859,173
Unassigned and Unappropriated		\$ 15,752
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,387,129
Total Components of ending balance		\$ 4,261,712
Assigned & Unassigned balances above the		
minimum reserve requirement		\$ 974,541

Statome	ent of Reasons		
The District's Fund Balance includes assigned, unassign		ampanents that in total are greater than the	Minimum Perommende
Reserve for Economic Uncertain	ities, See below the list of	items that will require additional district fun	as:
		<u>JUSTIFICATIO</u>	<u>ON</u>
STRS/PERS INCREASES 2017-18	\$155,063	See attached estimate	ted impact.
STRS/PERS INCREASES 2018-19	\$156,706		
STRS/PERS INCREASES 2019-20	\$158,427		
STRS/PERS INCREASES 2020-21	\$96,225		
Facility Master Plan Needs updated 5/24/16	\$25,526,032	Failure to pass school bo	nd (4 attempts)
		See attached updated Facilty N	Naster Plan Summary
		4	
BOARD POLICY TARGET RESERVE = 17%			
		Total of Substantiated Needs	\$26,092,453.0
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CALSTRS IMPACT

	BUDGET	2% S&C	2% S&C	2% S&C	2% S&C	TARGET
	2016-17	2017-18	2018-19	2019-20	2020-21	RATE
						2020-21
SALARIES	6,702,315	6,836,361	6,973,089	7,112,550	7,254,801	
Increase		0.0185	0.0185	0.0185	0.0097	19.1%
Est Addl Cost		\$126,473	\$129,002	\$131,582	\$70,372	
2016-17 RATE:	12.58%					

Estimated using 2% for step and column.

CALPERS IMPACT

	2016-17 20 20 1,810,092 1,	2% 5&C 2017-18 1,753,979 0.0163 \$28,590	2% 5&C 2018-19 1,699,606 0.0163 \$27,704	2% S&C 2019-20 1,646,918 0.0163 \$26,845	2% S&C 2020-21 1,595,864 0.0162 \$25,853	2020-21 2020-21 20.4%
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Estimated using 2% for step and column @ 95% Pers Creditable.

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MURDOCK ELEMENTARY SC	HOOL		-	
				ADJUSTMENT TO
TOTAL PRIORITY 1 (From Fac	ilty Master Plan 4/3/14)>>>>>>>>>	\$6,667,916.00		MASTER PLAN
	LOCATION	YEAR COMPLETED	COST	
New HVAC/Boilers	Main Halls 1 & 2, Classrooms 201-205 (2) Library, Classroom 101, 301-304, 401-404	2014-15	\$436,200.00	-\$436,200.00
New Roof	Phase I-Café/100/Office Wing	2014-15	\$296,218.00	-\$748,270.00
New Roof	Phase II Balance of Roof	2015-16	\$726,334.00	<u>-\$95,534.00</u>
Exterior Improvements	Exterior Painting 1/4 of School	2015-16		
	Replaced Sky Lights	2015-16		
	Covered Clerestory Windows	2015-16		-\$1,280,004.00
WILLOWS INTERMEDIATE SO	CHOOL			
WILLOWS INTERIVIEDIATE SC				ADJUSTMENT TO
TOTAL DRIODITY 4 /F F	:	¢4.207.129.00		ADJUSTMENT TO MASTER PLAN
TOTAL PRIORITY 1 (From Fac	ilty Master Plan 4/3/14)>>>>>>>>>	\$4,297,138.00		IVIASTER PLAIN
	LOCATION	YEAR COMPLETED	COST	
Technology Distribution	School Site	2015-16	\$44,703.00	-\$102,859.00
Resealed Parking Lot / Play A	rea / Stiping	2015-16		
WILLOWS HIGH SCHOOL				
				ADJUSTMENT TO
TOTAL PRIORITY 1 (From Fac	ilty Master Plan 4/3/14)>>>>>>>>>	\$7,221,177.00		MASTER PLAN
	LOCATION	YEAR COMPLETED	COST	
ADA Parking Stalls Painted	Resealed Parking Lot	2014-15		-\$1,300.00
Energy Eff Lighting Installed	School Site	2014-15		-\$85,800.00
HVAC Replaced (Partial)	Offices 1-6, Classrooms: 101, 105,	2014-15	\$261,720.00	-\$261,720.00
	Classrooms: 201-205, 301-305			
	Classrooms: 401-404, 500-502, Cafeteria			
New Greenhouse		2014-15	\$11,000.00	-\$37,440.00
Replaced 2 Drinking Fountain	ns			<u>-\$3,500.00</u>
				-\$389,760.00
				ADJUSTMENT TO
TOTAL PRIORITY 2 (From Faci	ilty Master Plan 4/3/14)>>>	\$5,382,709.00		MASTER PLAN
50 MBS 20 10 10 10 10 10 10 10 10 10 10 10 10 10	LOCATION	YEAR COMPLETED	COST	¢225 000 00
Pool Upgrades, Pool Repair, Repainted Swim Lanes	High School	2014-15	\$5,000.00	-\$325,000.00

SUMMARY/ADJUSTED MASTER PLAN:

MURDOCK ELEMENATRY SCHOOL - PRIORITY 1 (From Master Plan) **PROJECTS COMPLETED**	\$6,667,916.00 - \$1,280,004.00
WILLOWS INTERMEDIATE SCHOOL - PRIORTY 1 (From Master Plan) *PROJECTS COMPLETED*	\$4,297,138.00 - \$102,859.00
WILLOWSHIGH SCHOOL - PRIORTY 1 (From Master Plan) PROJECTS COMPLETED	\$7,221,177.00 <i>-\$389,760.00</i>
WILLOWS COMMUNIT HIGH - PRORITY 1 (From Master Plan)	\$0.00
MURDOCK ELEMENATRY SCHOOL - PRIORITY 2 (From Master Plan)	\$3,399,357.00
WILLOWS INTERMEDIATE SCHOOL - PRIORTY 2 (From Master Plan)	\$305,358.00
WILLOWS HIGH SCHOOL - PRIORTY 2 (From Master Plan)	\$5,382,709.00
PROJECTS COMPLETED	-\$325,000.00
WILLOWS COMMUNIT HIGH - PRORITY 2 (From Master Plan)	\$350,000.00
TOTAL ADJUSTED WILLOWS UNIFIED FUNDING NEED>>>>>>>>>	\$25,526,032.00