

**WILLOWS UNIFIED SCHOOL DISTRICT**  
**Office of the Superintendent**

**Date of Meeting: June 22, 2017**

**Request For Placement on Board Agenda:**

**[X] INFORMATION/DISCUSSION**

**[ ] ACTION**

**AGENDA TOPIC: Disclosure of Reserves in Excess of Minimum Requirement**

**PRESENTER: Debby Beymer, Director of Business Services**

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**BACKGROUND**

When a school board proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance (EFB) that is in excess of the state's minimum requirement, the district shall disclose the components of the EFB and the rationale behind the need for excess reserves.

Due to conflicting disclosure requirements, this document was also included in the Public Hearing that was held on June 19, 2017 as a component of the preliminary budget review.

## 2017-18 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 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)	\$ 14,315,870
Minimum Reserve requirement	3%	\$ 429,476
General Fund Combined Ending Fund Balance		\$ 5,673,225
Special Reserve Fund Ending Fund Balance		\$ -
Components of ending balance:		
Nonspendable (revolving, prepaid, etc.)		\$ 6,775
Restricted		\$ 3,883,042
Committed for Curriculum Adoptions	Prior IMFRP \$	\$ 276,547
Assigned		\$ 554,691
Reserve for economic uncertainties		\$ 859,173
Unassigned and Unappropriated		\$ 42,997
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,456,861
Total Components of ending balance		\$ 5,623,225
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,027,385

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:	
<u>JUSTIFICATION</u>	
STRS/PERS INCREASES 2018-19	\$125,000
STRS/PERS INCREASES 2019-20	\$130,000
Facility Master Plan Needs updated 5/24/16	\$25,526,032
School Bond Revenue	\$8,000,000
State Eligibility 3-21-17 (60/40 Match Required)	\$7,918,961
	\$15,918,961
<b>SHORTFALL</b>	<b>(\$9,607,071)</b>
<b>Total of Substantiated Needs</b>	
	<b>\$9,862,071.00</b>

**DISCLOSURE OF RESTRICTED FUND BALANCES**

<u>DESCRIPTION</u>	<u>RESOURCE CODE</u>	<u>AMOUNT AT BUDGET ADOPT</u>
Facility Repair Reserve	9151	\$2,351,275
Computer Replacement Reserve	9153	\$100,000
Def Maint	9205	\$235,532
School Bus Replacement	9514	\$100,000
OPEB (Retiree H&W)	9710	\$716,235
QZAB Lease Payment Reserve	9712	<u>\$380,000</u>
		\$3,883,042
CROSS CHECK BALANCE in Comp of EFB		\$3,883,042
	DIFFERENCE>>>>>>>>>>	\$0