

2020-21 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.

		2020-21
Total General Fund Expenditures & Transfers:	Unrestricted & Restricted	\$ 17,046,494
Minimum Reserve requirement:	3%	\$ 511,395
Board Approved DEU (approved on 11/18/17)	10%	\$ 1,704,649
General Fund Combined Ending Fund Balance:		\$ 4,760,404

Components of ending balance:

Nonspendable (revolving, prepaid, etc.)		\$ 6,775
Restricted		\$ 3,268,193
Committed		\$ 140,447
Assigned		\$ 165,000
Reserve for economic uncertainties	DEU 10% of Unrestricted Exp.	\$ 1,179,989
Unassigned and Unappropriated		\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,344,989
Total Components of ending balance		\$ 4,760,404

Assigned & Unassigned balances above the 3% minimum reserve requirement:

\$ 833,594

Assigned & Unassigned balance above the Board Approved DEU:

\$ (359,661)

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 and PERS employer costs and rapidly escalating special education program costs and the substantial impact this has on California school district budgets, 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 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 distress and significant funding reductions to education as indicated in the State's May Revise budget proposals, these reserve levels will be an essential component of the District's fiscal stability plan.

Total of Substantiated Needs	\$	833,594
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