

2016-17 Budget Adoption Reserves

SAN RAFAEL CITY ELEMENTARY SCHOOL DISTRICT 21-65458

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

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		\$ 54,103,635
Minimum Reserve requirement	3%	\$ 1,623,109
General Fund Combined Ending Fund Balance		\$ 9,583,156
Special Reserve Fund Ending Fund Balance		\$ 1,212,938
Components of ending balance:		
Nonspendable (revolving, prepaid, etc.)		\$ 2,500
Restricted		\$ (2)
Committed		\$ -
Assigned		\$ 2,400,000
Reserve for economic uncertainties	5%	\$ 2,705,182
Unassigned and Unappropriated		\$ 4,475,476
Subtotal Assigned, Unassigned & Unappropriated		\$ 9,580,658
Total Components of ending balance		\$ 9,583,156
Assigned & Unassigned balances above the minimum reserve requirement		\$ 7,957,549

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 because:
<i>Cash Flow contingencies in order to ensure adequate cash to meet payroll and other obligations throughout the year \$1.1 million</i>
<i>Common Core State Standards implementation for one-time costs associated with this implementation \$1.3 million</i>
<i>GASB 45 Unfunded Liability for Post Retirement Benefits other than Pensions \$6.1 million</i>
<i>STRS and PERS increases estimated to be \$450,000 each year cumulative</i>
<i>uncertainties regarding special education costs including mental health services and high unpredictable costs associated with residential placements.</i>