

2016-17 Budget Adoption Reserves

SAN RAFAEL CITY HIGH SCHOOL DISTRICT 21-65466

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		\$ 34,377,628
Minimum Reserve requirement	3%	\$ 1,031,329
General Fund Combined Ending Fund Balance		\$ 3,909,187
Special Reserve Fund Ending Fund Balance		\$ 1,598,880
Components of ending balance:		
Nonspendable (revolving, prepaid, etc.)		\$ 5,500
Restricted		\$ 2
Committed		\$ -
Assigned		\$ 450,000
Reserve for economic uncertainties	10%	\$ 3,437,763
Unassigned and Unappropriated		\$ 15,922
Subtotal Assigned, Unassigned & Unappropriated		\$ 3,903,685
Total Components of ending balance		\$ 3,909,187
Assigned & Unassigned balances above the minimum reserve requirement		\$ 2,872,356

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 \$450,000</i>
<i>Common Core State Standards implementation for one-time costs associated with this implementation</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 \$350,000 each year cumulative</i>
<i>uncertainties regarding special education costs including mental health services and high unpredictable costs associated with residential placements.</i>