2016-2017 Budget Adoption Reserves

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

District: **Novato 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.

		2016-2017
Total General Fund Expenditures & Other Uses		$79,043,995
Minimum Reserve Requirement	3%	$2,371,320
General Fund Combined Ending Fund Balance		$17,098,894
Special Reserve Fund Ending Fund Balance		$0
Components of Ending Balance:		
Nonspendable (revolving, prepaid, etc.)		$149,931
Restricted		$2,034,016
Committed		$0
Assigned		$10,232,365
Reserve for Economic Uncertainties		$2,371,320
Unassigned and Unappropriated		$2,311,262
Subtotal Assigned, Unassigned & Unappropriated		$14,914,947
Total Components of Ending Balance		$17,098,894
requirement		**$10,232,365**

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:	
Reserve for LCFF GAP Funding Uncertainty	*$2,944,205*
Reserve for off-the-salary-schedule bonus ($1500 FT/$750 <FT) - NFT/Unrepresented Groups	*$810,000*
Reserve for 5% on-going salary schedule increase for NFT/Unrepresented Groups	*$2,400,000*
Transfer to Fund 17: Future STRS/PERS Liability	*$2,000,000*
Reserve for Declining Enrollment	*$1,628,160*
Laptop Refresh	*$150,000*
Migration / HP3000 Financial System	*$200,000*
Transportation Vehicles	*$100,000*
TOTAL	**$10,232,365**