

2016-17 Budget Adoption Reserves

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

District: Oxnard Union High School District

CDS #: 56-72546

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:

Education Code Section 42127(a)(2)(B) requires a statement of the reason that substantiate the need for assigned and unassigned ending fund balances in the excess of the minimum reserve standard for economic uncertainties.

- (i) The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.
- (ii) 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.
- (iii) A statement of reason that substantiates the need for assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties for each fiscal year that the school district identifies an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as identified pursuant to clause (ii).

	2016-17	2017-18	2018-19
Total General Fund Expenditures & Other Uses	\$ 182,239,109	\$ 181,894,729	\$ 185,393,576
State Minimum Reserve requirement 3%	\$ 5,467,173	\$ 5,456,842	\$ 5,561,807
General Fund Combined Ending Fund Balance	\$ 11,266,840	\$ 10,965,469	\$ 10,510,392
Components of ending balance:			
Nonspendable (revolving, prepaid, etc.)	\$ 210,000	\$ 210,000	\$ 210,000
Restricted	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -
Assigned	\$ 2,300,000	\$ -	\$ -
Reserve for economic uncertainties	\$ 8,756,840	\$ 10,755,469	\$ 10,300,392
Unassigned and Unappropriated	\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated	\$ 11,056,840	\$ 10,755,469	\$ 10,300,392
Total Components of ending balance	\$ 11,266,840	\$ 10,965,469	\$ 10,510,392
	TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement	\$ 5,589,667	\$ 5,298,627	\$ 4,738,585

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>Board Policy 3100 states "The District's minimum reserve for economic uncertainty (REU) can be in the range of 3 - 5% of the total General Fund operating expenditures (including other financing).</i>	
<i>2016-2017 REU equals 4.81% or 1.81% over the state minimum reserve requirement</i>	\$ 3,289,667
<i>2017-2018 REU equals 5.91% or 2.91% over the state minimum reserve requirement</i>	\$ 5,298,627
<i>2018-2019 REU equals 5.56% or 2.56% over the state minimum reserve requirement</i>	\$ 4,738,585
2016-2017 Assigned :	
<i>6 School Buses (EPA Compliance)</i>	\$1,050,000.00
<i>2 Adult Transition Vans (ADA)</i>	\$150,000.00
<i>Oxnard #8 Start Up</i>	\$100,000.00
<i>LCAP Pilot Program</i>	\$1,000,000.00