

REDDING SCHOOL DISTRICT

2023-24 Original Budget
Excess Reserve Justification

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances above the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

The district is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The district's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties as well as other assigned reserves that are reviewed and approved by the Governing Board. The Minimum Fund Balance is a component of the unrestricted portion of the Districts total budget and consists of assigned amounts equal to no less than 17% of General Fund expenditures, but not more than 25% of the General Fund expenditures.

Combined Assigned and Unassigned/Unappropriated Fund Balances

Objects 9780/9789/9790

Fund	2023-24	2024-25	2025-26
General Fund (01)	\$5,529,487	\$5,003,465	\$4,538,284
Special Reserve Fund for Other Than Capital Outlay Projects (17)	\$2,095,004	\$2,344,416	\$2,593,828
Total Assigned and Unassigned Ending Fund Balances	\$7,624,491	\$7,347,881	\$7,132,112
District Standard Reserve Level	5%	5%	5%
Less District Minimum Reserve for Economic Uncertainties	\$2,576,309	\$2,508,936	\$2,531,452
Remaining Balance to Substantiate Need	\$5,048,182	\$4,838,945	\$4,600,660

Reasons for Fund Balances Above the Minimum Reserve for Economic Uncertainties

Fund	Description of Need	2023-24	2024-25	2025-26
COMMITTED				
General Fund	Bus Purchase Debt Service	\$288,994	\$288,994	\$288,994
General Fund	STRS/PERS Obligations	\$500,000	\$500,000	\$0
General Fund	Special Education Costs Estimated Increases	\$450,000	\$450,000	\$450,000
Special Reserve Fund	QZAB Account	\$2,095,004	\$2,344,416	\$2,593,828
ASSIGNED				
General Fund	Site Balances (Donations, Library, Child Care, etc.)	\$154,177	\$150,000	\$150,000
General Fund	Financial Stabilization	\$1,000,000	\$605,535	\$617,838
General Fund	Future State Adopted Textbook Purchases	\$560,007	\$500,000	\$500,000
Total of Substantiated Needs		\$5,048,182	\$4,838,945	\$4,600,660
Remaining Unsubstantiated Balance		\$0	\$0	\$0
Budgeted Expenditures:		\$51,526,178	\$50,178,726	\$50,629,042
Percentage of Reserves to Expenditures:		14.80%	14.64%	14.09%
Percentage of Reserves to Expenditures (w/out Committed Items):		8.33%	7.50%	7.50%