

Horseheads CSD Reserve Plan



May 2017

Purpose of Reserve Plan



- Office of the New York State Comptroller recommends establishment of reserve plan as part of a district's fiscal plan
- Helps protect the budget, instructional programs, and tax levy in the event of major, nonrecurring, or unforeseen expenditures
- Should state purpose, funding method, and level of funding
- Board should periodically assess the reasonableness of the amounts accumulated in each reserve

Summary of General Fund Reserves as of 06/30/2016



• Retirement Contribution	\$4,211,825
• Tax Certiorari	\$999,199
• Accrued Benefit Liability	\$1,918,082
• Unemployment	\$342,102
• Capital	\$10,000,532

Retirement Contribution Reserve



- Purpose: to help offset the costs of payments to the Employees Retirement System
- Current amount: \$4,211,825 (max. allowable 3-5 years of payments)
- How use: Budget as an appropriated reserve aligning to anticipated ERS expenditure
- Voter approval to fund: No
- Voter approval to expend: No
- Other use of funds:
 - May transfer a portion of funds to another reserve.
 - The reserve may be abolished if no longer needed.

Tax Certiorari Reserve



- Purpose: used to pay judgments and claims in tax certiorari proceedings
- Current amount: \$999,199
- How use: pay judgments and claims
- Voter approval to fund: No
- Voter approval to expend: No
- Other use of funds: Surplus funds are returned to the General Fund upon notification of court the judgement or claim has been dismissed

Employee Benefit Accrued Liability Reserve



- Purpose: used to pay any accrued benefits to employees upon termination of services (i.e., accrued sick leave, vacation leave)
- Current amount: \$1,918,082
- How use: Appropriate funds as part of budget process for estimated use during year. If actual amount exceeds original budget, board can appropriate additional funds during the year.
- Voter approval to fund: No
- Voter approval to expend: No
- Other use of funds: The reserve may be abolished and the funds transferred to another reserve.

Unemployment Reserve



- Purpose: must be used to pay for unemployment benefits
- Current amount: \$342,102
- How use: Budget as revenue aligning to anticipated expenditure
- Voter approval to fund: No
- Voter approval to expend: No
- Other use of funds: If viewed as overfunded:
 - may transfer surplus funds to another reserve

Capital Reserve



- Purpose: To pay the cost of any object or purpose for which bonds may be issued
- Current amount: \$10,000,532
- How use: to purchase school buses, facility construction, equipment etc.
- Voter approval to fund: No
- Voter approval to expend: Yes
- Other use of funds: Voter approval required to terminate reserve before specified expiration date. Remaining funds must first be applied to district's outstanding bonded indebtedness and secondarily to reduce the tax levy.