

OCEANSIDE UNION FREE SCHOOL DISTRICT
SUPERINTENDENT'S REGULATIONS FOR GENERAL FUND RESERVES
USED IN CONJUNCTION WITH BOE FUND BALANCE & RESERVE FUND POLICIES
UPDATED OCTOBER 2018



Reserve for Retirement Contributions (Employees Retirement System; ERS)

Creation – This reserve was established as of June 30, 2009.

Purpose – It is used to pay for employer contributions to the NYS Employee's Retirement System.

Use of Reserve – This reserve has been, and will be used in future years as a revenue source to mitigate projected increases in required employer contributions. If operational fund balance is available in a given fiscal year, it is recommended to replace funds used.

Funding Level – A funding level equal to 2-3 years' retirement system billings is desirable. Please see "Overall Funding Plan and Priority Level" information at the end of this document.

6/30/2017 = \$2,286,730

6/30/2018 = \$8,054,541

Employee Benefits Accrued Liability Reserve (EBALR)

Creation – This reserve was established as of June 30, 2009.

Purpose – This reserve is used to pay for unused accumulated leave time contractually provided to certain groups of employees. This typically includes payment for unused sick, compensatory and/or vacation pay.

Use of Reserve – This reserve is used when an employee separates from the District and payment of accumulated leave is required.

Funding Level – The funding level should be closely aligned to the sum of the liability for compensated absences which as of 6/30/2017 = \$2,996,768.

6/30/2017 = \$2,996,768

6/30/2018 = \$3,021,714

Reserve for Workers Compensation

Creation – This reserve was funded as of June 30, 2001.

Purpose – This reserve is intended to pay for actual worker's compensation claims, related to medical expenses and self-insurance administrative costs.

Use of Funds – This reserve has been used to pay claims over the years and is essentially exhausted.

Funding Level – Minimum balance remaining; all claims to be paid via the General Fund operating budget. Short & Long-Term claims payable as of 6/30/2017 = \$795,387.

6/30/2017 = \$800,000

6/30/2018 = \$806,659

Reserve for Repairs

Creation & Purpose – This reserve was established by the Board of Education in January 2016 and will be used to fund repairs and refurbishments to capital assets.

Funding Level – Determined annually by the Board of Education through public budgeting process.

6/30/2017 = \$160,631

6/30/2018 = \$323,300

Capital Reserve

Creation – This reserve was established by the community in May 2018.

Purpose – This reserve may be used to fund the cost of any object or purpose for which bonds may be issued; i.e. construction projects and/or major equipment purchases.

Funding Methods – Voter approval is required to establish and fund this reserve. In accordance with the approved proposition, this reserve is funded entirely from excess fund balance.

Use of Reserve – Use of this reserve requires voter approval. The proposition to use these funds must be specific to a set of projects and/or listing of equipment items.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – This reserve has a maximum limit of \$20,000,000. Accumulation of funds into this reserve must cease at the earlier of reaching \$20M in transfers from year-end excess fund balance or 20 years.

6/30/2017 = \$0

6/30/2018 = \$478,730

Unassigned Fund Balance

Creation – Retention of these funds are allowed by law.

Purpose – These funds are unrestricted and may be used for any valid purpose.

Use of Funds – It is recommended that these funds not be used except for an emergent, unanticipated expense, or revenue shortfall, that cannot be handled either in the budget or with other available reserves.

Funding Level – The maximum legal limit and desired level of this reserve fund is 4% of the subsequent years' budget ($\$153,863,333 \times 4\% = \$6,154,533$).

6/30/2017 = \$6,005,786

6/30/2018 = \$6,154,533

Assigned Fund Balance - Appropriated for Subsequent Years

Creation & Purpose – These funds have been set aside to reduce the tax levy required to support an ensuing year's budget. Overall strategy is to slowly reduce this appropriation annually as budgets become tighter.

Funding Level – Determined annually by the Board of Education based on reserve levels and fund balance projections.

6/30/2017 Use of Funds = \$3,000,000

6/30/2018 Use of Funds = \$2,750,000