

# FUND BALANCE MANAGEMENT

## August 5, 2019



Central Square Central School District

# WHAT IS FUND BALANCE?

## ❖ Balance Sheet –

- $\text{Assets} - \text{Liabilities} = \text{Fund Balance}$

## Includes –

- Restricted (Reserved Funds)
- Nonspendable
- Committed
- Assigned
- Unassigned



# Restricted Funds Authorized for School Districts under the Education Law

**Capital Reserve  
Fund**

**Liability Reserve  
Fund**

**Property Loss  
Fund**

**Tax Certiorari  
Reserve Fund**

**Tax Reduction  
Reserve Fund**

**Uncollected Taxes  
Reserve Fund**

**Career Education  
Instructional  
Equipment  
Reserve Fund**

# EFFECTIVE APRIL 1, 2019

- ◆ The law now allows school districts and BOCES to establish a retirement contribution reserve fund to include amounts payable to the NYS Teachers Retirement System (TRS) in addition to amounts payable for the local employees' retirement system.

SO...

# Restricted Funds Authorized for School Districts under the General Municipal Law

★  
**Employee Benefit  
Accrued Liability  
Reserve Fund**

**Insurance Reserve  
Fund**

**Mandatory Debt  
Service Reserve  
Fund**

**Repair Reserve  
Fund**

★  
**Retirement  
Contribution  
Reserve Fund**

**Unemployment  
Insurance  
Payment Reserve  
Fund**

★  
**Workers'  
Compensation  
Reserve Fund**

tonight's resolution is to  
restore and establish a  
TRS sub-fund within it

# Fund Balance Management

To help maximize the use of surplus funds over the long term and to preserve educational programs and goals in the short term.

- ✓ Unassigned Fund Balance (operating capital)
  - Maximum is 4% of following year's budget (operating cash flow)
  - Recommendation is to keep 5% this year in the short term to fund the unaided portion of a safety security project \*\*
- ✓ Committed Fund Balance
  - Source of revenue applied toward following year's budget
- ✓ Transfer to Restricted Funds
  - Long Range Planning

**Recommendation  
from October 2018**

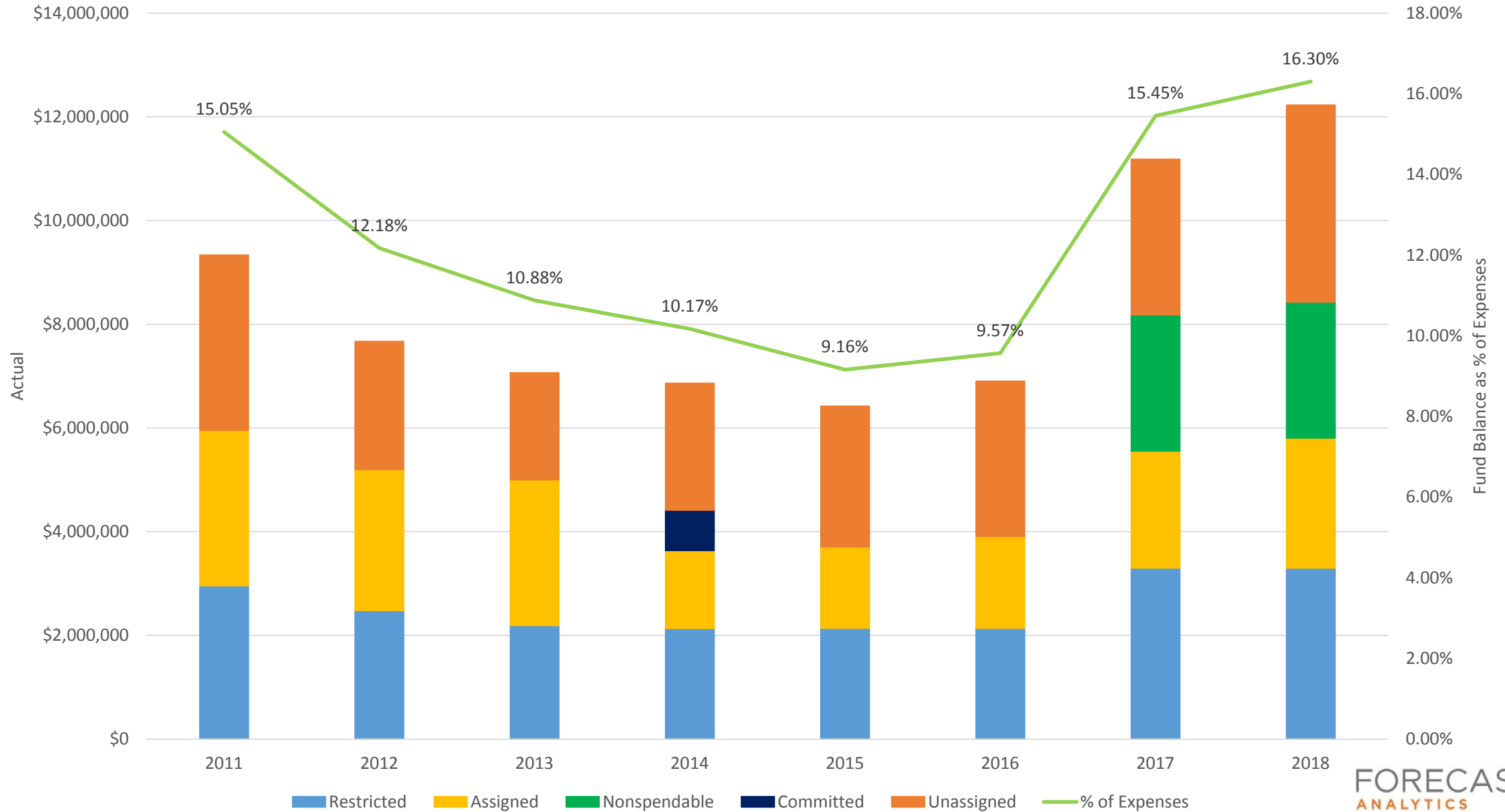
**\*\* Since this did not happen, we will place the funds into the newly created TRS sub-fund after the year end audit is complete.**

# Fund Balance – 6/30/18

<b>RESTRICTED</b>	<b>6/2018</b>
Workers' Compensation Fund	\$ 1,160,902
Service and Termination (EBLAR)	2,057,369
Tax Certiorari	79,705
<b>TOTAL RESTRICTED</b>	<b>\$ 3,297,976</b>
<b>ASSIGNED</b>	
Encumbrances	\$ 1,505,760
Appropriated	1,000,000
<b>UNASSIGNED (5%)</b> (\$794,126 over)	\$ 3,796,112
<b>NONSPENDABLE</b>	\$ 2,625,833
<b>COMMITTED</b>	0
<b>TOTAL FUND BALANCE</b>	<b>\$ 12,225,681</b>

<i><b>Projected Use of Restricted Funds</b></i>	<i><b>Year</b></i>
(\$ 1,000,000)	2019-20
(\$ 1,000,000)	2020-21
(\$ 1,000,000)	2021-22

# Fund Balance by Fund and Percentage





# Fund Balance by Fund and Percentage

Shown as a % of Expense

District(s) - ALTMAR-PARISH-WILLIAMSTOWN CSD, CENTRAL SQUARE CSD, FULTON CITY SD and 6 more

% of Revenues or Expenses reflects selected funds only

Source: FYSED ST-3 Form

