

AKRON CENTRAL SCHOOL DISTRICT
SUMMARY OF RESERVE FUNDS
 June 30, 2018

At June 30, 2018, Akron Central School District currently has the following types of reserves:

Nonspendable:

Reserve for Inventory: \$57,937

This reserve consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted: these reserves consist of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Akron has the following reserves that fall into this category -

Restricted:

Employee Benefit Accrued Liability

The Akron Board of Education recommends that funding levels not exceed \$1,500,000

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$1,196,229	\$8,034		\$21,000	\$1,183,263

The purpose of this account is to reserve funds for the payment of any accrued employee benefit due an employee upon termination of the employee's service. This reserve fund is established by a majority vote of the board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated by General Municipal Law.

Worker's Compensation Reserve

The Akron Board of Education recommends that funding levels not exceed \$1,000,000

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$507,463	\$3,470			\$510,933

The purpose of this reserve fund is to pay for compensation benefits and other expenditures authorized by Article 2 of the Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. The reserve was established by board action and is funded by budgetary appropriations or other funds as may be legally appropriated through General Municipal Law.

Retirement Contributions

The Akron Board of Education recommends that funding levels not exceed 10 years of historical expenditures

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$4,081,137	\$27,901			\$4,109,038

The purpose of this reserve fund is to pay for the retirement contributions made to the NYS Local Employees' Retirement System on an annual basis. It is established through a resolution by the board of education and expenditures made pursuant to General Municipal Law.

Unemployment Insurance

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$43,766			\$43,766	\$0

The purpose of this reserve fund is to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants. The reserve is established by board action and is funded by budgetary appropriations or other funds as may be legally appropriated by General Municipal Law. Akron will abolish this reserve in 2018 due to the lack of unemployment claims.

Debt Service

The Akron Board of Education recommends that the District draw down this reserve in consistent increments due to its impact on the tax cap calculation

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$1,512,693	\$10,000		\$50,000	\$1,472,693

This is a mandatory reserve established upon the sale of district property that was financed by obligations which remain outstanding at the time of sale, or established for the purpose of retiring the outstanding obligations of an entity. The funding of the reserve is from the proceeds of the sale of district property or capital improvement via General Municipal Law. Districts are mandated to use this reserve when premiums are generated on borrowings or proceeds from a capital project remain at the end of a project.

Tax Certiorari

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$0				\$0

The board may establish this reserve to refund taxes of the current year in tax certiorari proceedings. Establishing or expending the reserve does not require voter approval. Amounts not necessary to refund taxes must be returned to the unrestricted fund balance of the general fund by the first day of the fourth fiscal year following the year for which the reserve was created. Akron will be abolished this reserve in 2017 as we do not have any tax certiorari cases that are pending.

Capital Reserve

The Akron Board of Education recommends funding this reserve to its maximum level as resources allow

Balance at July 1, 2017	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2018
\$2,256,500	\$27,732	\$1,400,000		\$3,684,232

The voters may authorize a capital reserve to be used to pay for the cost of any object or purpose for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. (This was authorized by ACS voters in May 2017 and may be funded up to \$7,500,000.)

Assigned:

- Designated for subsequent year's expenditures – \$1,600,000
This amount is part of our annual budget process and is established through the superintendent

The Akron Board of Education determines the need to utilize this reserve annually during the budget process in accordance with Board Policies

- Other purposes – \$43,002
This amount represents the reserve for encumbrances that are rolled over each year

The Akron Board of Education recognizes that this amount represents reserve for encumbrances at the end of each fiscal year and amounts will vary depending on the number of orders that have been placed at year end where goods have not yet been received by year end

Unassigned: \$2,913,219

This reserve sits at 9.22% of our budget

The Akron Board of Education determines levels of funding for the Unassigned Fund Balance on an annual basis.

Reserve funds are audited annually by the District's board appointed external auditors as well as the NYS Comptroller's Office. In addition, the District's legal counsel reviews reserves on an annual basis.