

**AKRON CENTRAL SCHOOL DISTRICT**  
**SUMMARY OF RESERVE FUNDS**  
 June 30, 2020

At June 30, 2020, Akron Central School District currently has the following types of reserves:

**Nonspendable:**

Reserve for Inventory: \$81,560

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.**

Employee Benefit Accrued Liability - 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.

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

Balance at July 1, 2019	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2020
\$1,012,738	\$8,708		\$38,084	\$983,362

Worker's Compensation Reserve - 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.

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

Balance at July 1, 2019	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2020
\$518,684	\$4,634			\$523,318

ERS Retirement Contributions - 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.

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

Balance at July 1, 2019	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2020
\$3,663,788	\$41,222	\$950,000		\$4,655,010

TRS Retirement Contributions - The purpose of this reserve fund is to pay for the retirement contributions made to the NYS Teachers' 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.

NYS Imposes annual funding caps and maximum funding allowances for this reserve.

Balance at July 1, 2019	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2020
\$203,034	\$3601	\$200,000		\$406,635

Tax Certiorari - 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.

Balance at July 1, 2019	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2020
\$0				\$0

Capital Reserve - 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 2018 and may be funded up to \$7,500,000.)

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

Balance at July 1, 2019	Interest Earnings	Additions	Withdrawals	Balance at June 30, 2020
\$6,278,049	\$44,923	\$1,350,000	2,600,000	\$5,072,972

**Assigned:**

- Designated for subsequent year's expenditures – \$1,152,276  
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 – \$131,440  
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**

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**Unassigned: \$3,865,311**

This reserve sits at 11.47% of our budget

**The Akron Board of Education reviews reserve parameters no less than once per year and recommends the maintenance of unassigned balances sufficient to support the District's current year budget and long range financial plans.**