

Kenmore - Town of Tonawanda UFSD Long Range Financial Plan and Reserve Fund Plan



CONNECTION THROUGH REFLECTION

Updated: September 2024

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Table of Contents

District Summary	3
Purpose of Long Range Financial Planning	4
Revenue History	5
Expenditure History	6
Surplus	7
Fund Balance History	8
Five Year Financial Plan	9
General Fund Projection Summary	11
Reserve Fund Plan	12

District Summary

The Kenmore-Town of Tonawanda Union Free School District (commonly shortened to “Ken-Ton”) encompasses the Village of Kenmore and most of the Town of Tonawanda, a beautiful suburban community of approximately 70,000 residents north of Buffalo along the Niagara River. Ken-Ton operates 11 school buildings serving more than 6,500 UPK-Gr. 12 students. Ken-Ton is the third largest school district in the eight counties of Western New York and the 19th largest of more than 500 school districts in Upstate New York. With strong institutional traditions and a long, proud history of excellence in education for more than 130 years, Ken-Ton continues to exemplify its legacy of innovation and exceptional programming.

Ken-Ton has fostered a world-class staff through a comprehensive framework of mentoring, coaching, and staff development. Staff are routinely distinguished at the regional level and beyond for demonstrating excellence in their profession. This includes many Ken-Ton teachers who have earned National Board Certification, which is considered to be the gold standard in teaching. Ken-Ton boasts a leadership team whose individual strengths come together in collaboration to achieve the district’s mission. The Board of Education’s vision and stewardship guides the district’s work toward achievement of its strategic plan. The engaged and devoted parents, alumni, and district residents complete the district’s group of valued stakeholders.

A point of pride for the district is its outstanding elementary school programming in the core academics and special subject areas. All students are provided with a robust curriculum and academic support that meet their individualized needs for instruction. With a multitude of music education and ensemble opportunities at all grade levels, Ken-Ton has been distinguished as a Best Community for Music Education every year since 2011. Additionally, the district’s K-12 art programs are widely regarded as among the best in the region. Another point of pride for the district is the exceptional opportunities available for students at its two high schools, Kenmore East and Kenmore West. Ken-Ton is one of only two school districts in the eight counties of Western New York to offer the rigorous International Baccalaureate (IB) Program in addition to a wide array of Honors and Advanced Placement options. Students are challenged to Both high schools also offer two art career pathways, one for the Fine Arts and one for the Media Arts; four NYS-certified career and technical education (CTE) programs through the Career Academies; and the international Project Lead the Way pre-engineering curriculum.

Beyond the classroom, students have several opportunities for creative exploration and athletic competitions, and demonstrate their talents in these areas. With a long history of athletic achievement, the Ken-Ton Athletics Department oversees nearly 50 varsity sports during the fall, winter, and spring seasons as well as JV and modified programs. Teams and athletes proudly compete as the Kenmore East Bulldogs, the Kenmore West Blue Devils, and, for combined high school teams, the Devildogs. Ken-Ton also operates the innovative Big Picture Program, a non-traditional middle/high school model and the only program of its kind in Western New York. This program is specially designed for students who are more successful in a non-traditional learning environment and routinely sees a graduation rate of 100%. In addition, Crossroads Academy, located at Kenmore Junior/Senior High, was implemented in September 2023 with the goal of empowering more students to graduate on time. The program, which is open for high school juniors and seniors who have not accrued enough credits to be on track to graduate, is designed to help these students find success and earn their diploma through a combination of in-person instruction and online credit recovery.

Ken-Ton School District alumni include two national TV news anchors, a former U.S. Court of Appeals Chief Justice, a Skylab astronaut, a former Vice President of Microsoft, and the former president and CEO of Dunkin' Brands. Individuals who have achieved the highest levels of success in their careers, from professional athletes, actors, comedians, and musicians to business leaders, doctors, engineers, and educators, count themselves as proud Kenmore East and Kenmore West alumni.

Purpose of Long Range Financial Planning

Fiscal responsibility is a critical aspect to ensuring the success and long-term viability of any school district. The Board of Education is committed to protecting the community's investment in our schools to ensure there are adequate resources to support programs and services needed by the student population. By creating and updating a five-year financial plan, Kenmore -Town of Tonawanda Union Free School District (Ken-Ton UFSD) is able to have a clearer picture of how decisions that are made today can affect the District's financial health in the future. In order to add programming responsibly, the impact of future budgets anticipated revenue and expenditure must be considered. Financial planning positions the District to review and allocate resources appropriately and to sustain instructional programming.

Objectives

The Board of Education's beliefs about fiscal responsibility, management and maintenance of reserves are grounded in the following:

- Building a budget that reflects the mission, vision and goals of the District specific to the District's Strategic Plan, The Ken-Ton Forward.
- Preserving programs that demonstrate benefits to students and assessing programs to ensure resources are adequately allocated.
- Utilizing the long range financial plan to make decisions long term vs short term.
- Transparency to taxpayers and the community that have a significant investment in the school regarding tax increases.

Budgeting

The budget is developed using actual historical year data, estimates, budgetary assumptions and budgetary requests. The process of developing a budget includes several different stakeholders including, District Leadership, the Board of Education, Community and department and building level leaders.

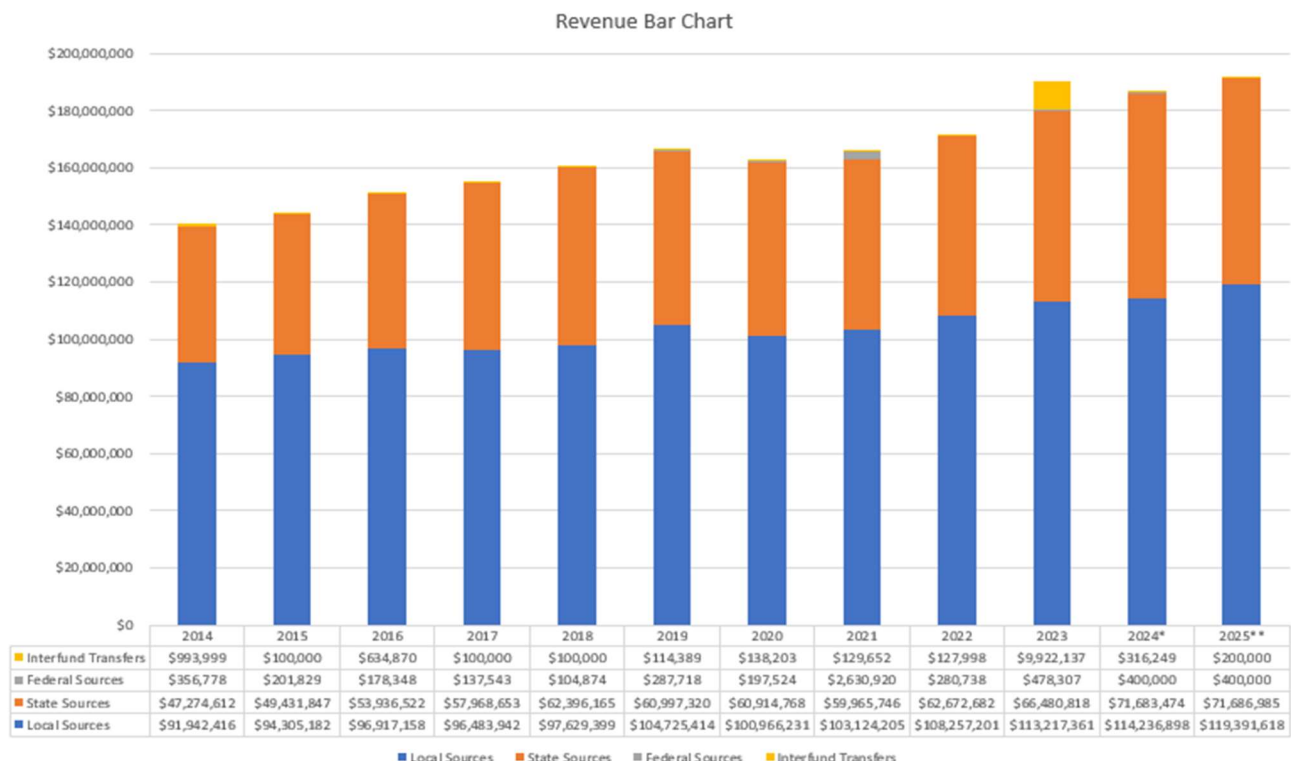
A completed budget has appropriations for expenditures equivalent to estimated revenues, financing sources, appropriated fund balance and appropriated reserves. School District budgets are intended to have an no operating surplus or deficit (an operating surplus is when revenue exceeds expenditure) at the fiscal year end. In addition, an operating surplus can be used to fund district reserves. This must be done through Board of Education approval.

A large percentage of the district budget is made up of personnel salaries and benefits. The budget for those is based on contractual language outlined in the District Bargaining Unit Agreements. There are four bargaining units within the Ken-Ton School District including the Teachers (KTA), substitute teachers, support staff (KTSEA) and Administrative (KAA).

The **property tax cap** has forced districts to budget long term versus year to year. The tax cap restricts the growth of the school district tax levy. State Aid and the tax levy account for 87% of district revenue share. A long time lawsuit vs New York State has come to an end with the promise to fully fund Foundation Aid, the largest general aid to school districts. The formula was updated several years ago but was never fully implemented due to the recession during that time. It is anticipated that Ken-Ton will see an increase in foundation aid of 2.5% in 2024-25 and going forward unless there is an enrollment increase or major change in student economic status. The Foundation Aid formula uses student enrollment, attendance and district income status as part of the calculation. The formula is being reviewed by the Rockefeller Institute of Government as part of the New York State enacted budget for 2025. If there are changes to the formula that result in a reduction in foundation aid and school districts can only raise taxes to the tax cap there will have to be a reduction to programs and services offered. We are anticipating nominal increases as a result of the Foundation Aid Review.

Revenue History

The following chart outlines Ken-Ton's historic General Fund revenue by source. As with most New York State school districts, the majority of the revenue in each budget comes from State (in the form of State Aid) and Local sources (Tax levy).

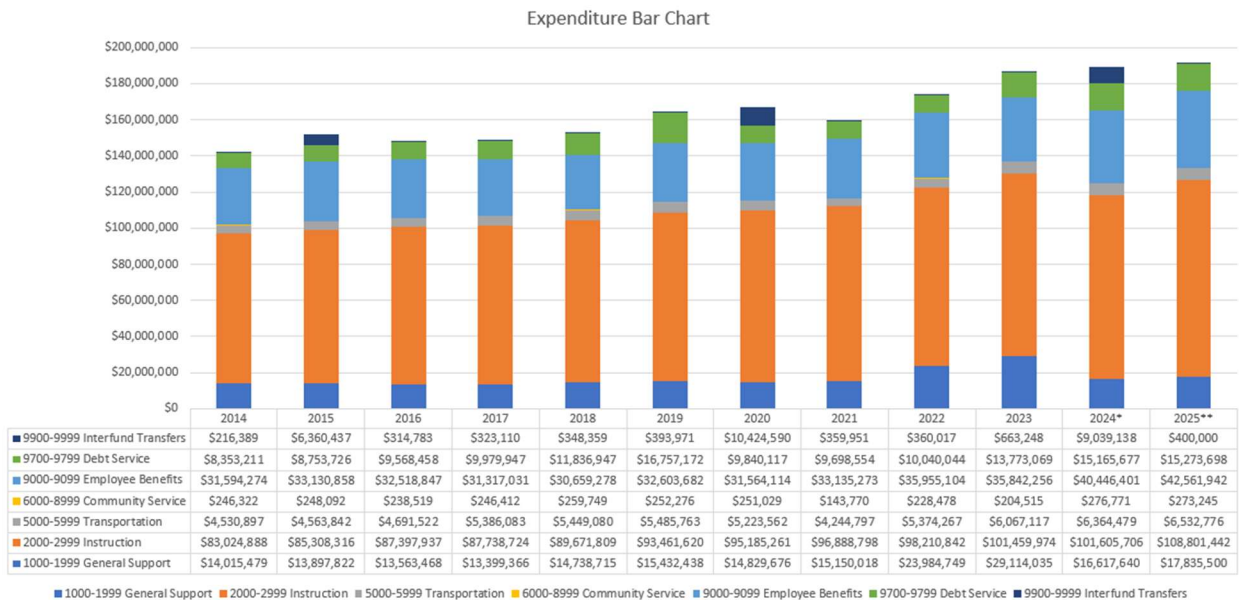


*Estimated

**Budget

Expenditure History

The following Chart outlines Ken-Ton's General Fund expenditure history. Instructional expenditures make up the majority of the budget, which includes instructional salaries. The other largest expenditures are employee benefits and debt service.



*Estimated

** Budget

Surplus

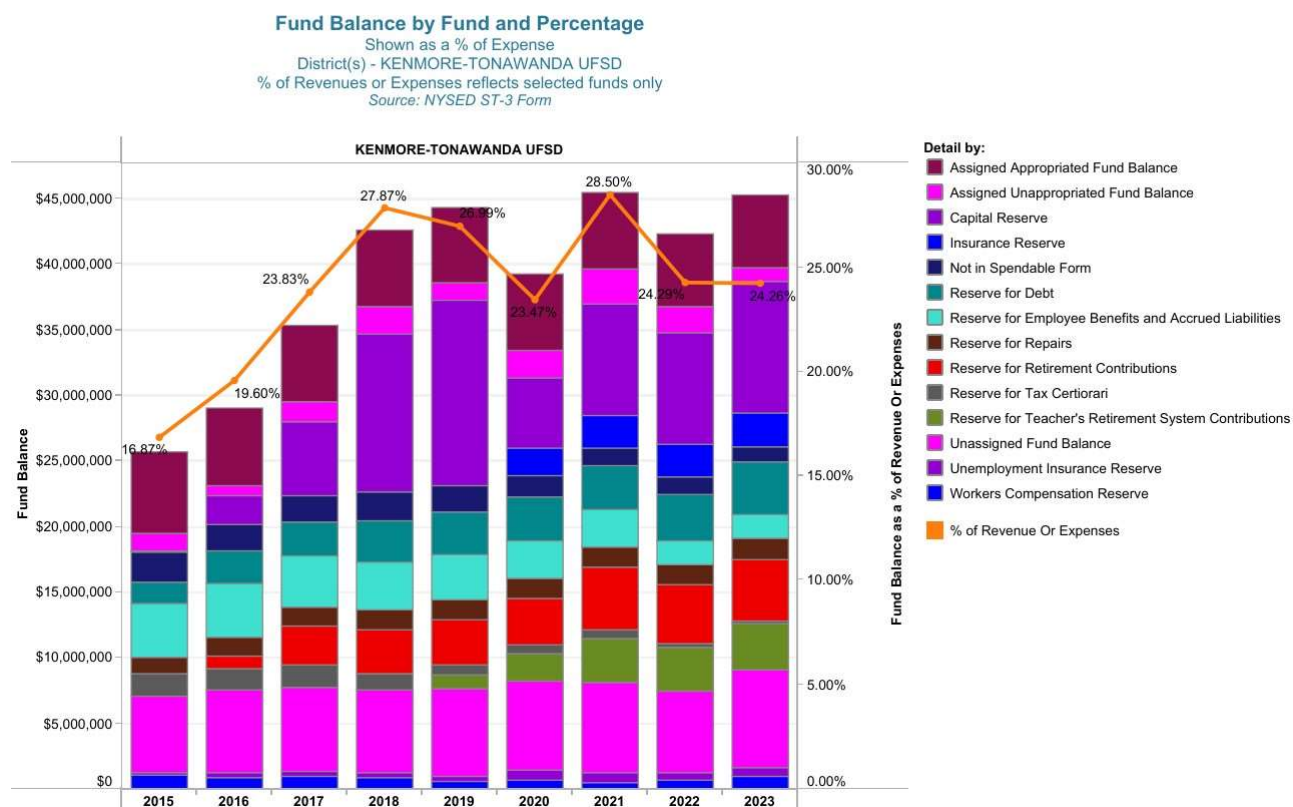
A surplus is created when revenue exceeds expenditures. Long term use of budget surpluses to support revenue shortfalls in subsequent school years undermines the long term fiscal health of the District. At some point in the future, if those surpluses go away, that revenue will have to be made up by another source. This will create a structural budget deficit. School districts are limited in finding new revenue sources with the largest sources of revenue coming from state aid and property taxes. Property tax levy increases are capped and there is continued uncertainty as to the amount of state aid funding districts receive year over year. The coming years will likely be more challenging with the uncertainty around the review of the Foundation Aid Formula. Healthy reserve fund balances, long range financial planning and financial oversight are ways to ensure districts are prepared to address budget deficits and budget surpluses.

Surplus funds should be used in a way that provides long term benefits for the District including funding reserves, paying for one time expenditures and one-time costs. This will ensure that the district is not creating years with structural budget imbalances. The use of fund balance and reserves allowed the district to reduce the overall debt that was required to be issued as a result of the child victims act. In addition, the focus is to reduce use of reserves and unappropriated funds to balance the revenue budget. The District currently uses \$5.34 million each year in unappropriated fund balance budgeted as revenue. As we continue better budgeting practices, we will rely less on that because the budgeted figures will be closer to actual.

Fund Balance History

The following chart outlines historical fund balance totals by type. The District's Fund Balance started to rebound in 2015 after the State's Financial crisis and the reduction in the Gap Elimination Adjustment from the state. A dip in the 2020 year was a result of the District starting the 2020 Capital Project and moving the funds from the Capital Project reserve to the Capital fund at fiscal year end 2020. Not listed here but reflected in the Reserve Balances as of 2024 is the voters approved use of \$8.5 million from the Capital Reserve to fund a project to finish work related to the 2020 project.

As reported in October of 2021, the Governor settled a lawsuit with NYSER promising to fully fund school districts Foundation Aid (largest general aid to schools). The goal of the Foundation Aid formula is to disperse State Aid equitably across the state despite the amount of wealth and other factors in the district. As of the 2023-24 school year the Foundation Aid formulas has been fully implemented. The formula is being reviewed by the Rockefeller Institute of Government as part of the New York State enacted budget for 2025. Ken-Ton is in a good position to handle this time of uncertainty and if necessary use some of the reserve fund balance.



Five Year Financial Plan

Key Factors

- All assumptions are made at a single point in time. These assumptions can and will change over the upcoming years but provide a basis for financial decision making.
- The initiatives set forth in the Ken-Ton Forward, the Districts strategic plan, are contributing factors to the budget. Current year initiatives are carried out and new initiatives are created as a result of each year's budget development process and will be included as part of the strategic plan moving forward.
- The forecast of revenue and expenditures are for five years. The farther out the forecast goes the less reliable it becomes.

Revenue Projections

- An average increase in Foundation Aid of 2.5% per year and 2% each subsequent year. State aid including BOCES, Textbook, and other would increase 2.5% each year and 2% each subsequent year. Building Aid is based on debt service and is estimated based on that figure.
- Based on the Tax Cap Forecast the average increase in the tax levy of 1.27% (2.54% in the first three years excluding the negative cap in the last two years) or \$1.2 million (\$2.5 million excluding the negative cap in the last two years). This forecast assumes the District goes to the Allowable Levy Growth Factor (CPI in calculation) each year not the tax cap.
 - The Capital Exclusion has the largest impact on the District Tax Cap calculation. An exclusion is a result of the district spending more money on capital costs (debt principal and interest) than they receive for building aid and capital transportation aid (buses).
 - The Final Year of the Long Range Plan shows a negative Tax Cap due to the reduction in Debt Service. Therefore, the district should consider starting their next Capital Project to ensure there is debt replaced for the capital exclusion. There are already planning meetings for this happening.
- Sales tax increases .5% each year.
- All other revenue did not increase.

Tax Levy Limit Projections

The tax levy limit, commonly referred to as the "tax cap", imposes a limit on the amount of taxes a school district can levy in a given year. Although 2% is most often associated with the "cap", there are many other factors, specifically exclusions, that are part of the tax levy limit formula. Exclusions adjust the overall levy limit and can add or reduce to the total potential amount levied as outlined in the chart below. For Ken-Ton UFSD, both the Payment in Lieu of Taxes (PILOT) and Capital Exclusions have a significant impact on the tax levy limit. Below is the current, 2024-25 tax levy limit and the projected limit for the next five years. Conservative assumptions are made in both the Tax Base Growth Factor and Allowable Growth Factor. The Tax Base Growth Factor is given by the State and calculated using new construction in the district.

Tax Cap Calculator Results Report						
KTUFSD Long Range Plan						
	BUDGET		PROJECTIONS			
	2025	2026	2027	2028	2029	2030
Tax Levy Limit (Cap) Before Exclusions						
Tax Levy Prior Year	\$93,331,100	\$95,859,713	\$98,526,537	\$100,740,047	\$103,365,462	\$102,670,912
Prior Year Reserve Offset	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Amount	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor	1.0029	1.0013	1.0013	1.0013	1.0013	1.0013
PILOTS Receivable Prior Year	\$925,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
Tort/ Judgement Exclusion Prior Year	\$0	\$0	\$0	\$0	\$0	\$0
Capital Tax Levy for Prior Year	\$2,801,050	\$3,089,739	\$3,758,254	\$4,408,384	\$5,444,048	\$4,615,123
Allowable Levy Growth Factor	1.0200	1.0200	1.0150	1.0150	1.0000	1.0000
PILOTS Receivable Current FYE	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Total Levy Limit Before Exclusions	\$92,770,224	\$94,768,283	\$96,331,663	\$97,921,414	\$98,055,789	\$98,189,261
Exclusions						
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current Year	\$3,089,739	\$3,758,254	\$4,408,384	\$5,444,048	\$4,615,123	\$3,855,352
ERS contribution increase greater than 2%	\$22,705	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
Total Exclusions	\$3,112,444	\$3,758,254	\$4,408,384	\$5,444,048	\$4,615,123	\$3,855,352
Tax Levy Limit, Adjusted For Transfers, Plus Exclusions	\$95,882,668	\$98,526,537	\$100,740,047	\$103,365,462	\$102,670,912	\$102,044,613
	2025	2026	2027	2028	2029	2030
CURRENT FYE PROPOSED LEVY, \$ entry	\$95,859,713	\$98,526,537	\$100,740,047	\$103,365,462	\$102,670,912	\$102,044,613
CURRENT FYE PROPOSED LEVY, % entry	\$0	\$0	\$0	\$0	\$0	\$0
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	2.71%	2.78%	2.25%	2.61%	-0.67%	-0.61%
TAX LEVY LIMIT %	2.73%	2.78%	2.25%	2.61%	-0.67%	-0.61%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$22,955	\$0	\$0	\$0	\$0	\$0
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$2,528,613	\$2,666,824	\$2,213,510	\$2,625,415	(\$694,550)	(\$626,299)

Expenditure Projections

- Salary increases range from 2% - 2.5% as a result of percentage increases applied to steps and employee movement to higher steps. The increases are also based on the historical increase of salaries over the past 5 years. The overall assumption is a 2.5% increase to salaries over the 5 years.
- Debt Service expenditures are based on actual and estimated debt payments. The estimates include the Child Victims Act Expenditures.
- Health increases are estimated at 4% and 5% each subsequent year.
- TRS Contributions are estimated to increase to 10%-12%.
- ERS average contributions at 16%.
- BOCES Cost increase estimated increase of 2%.

General Fund Projection Summary

The General Fund Projection Summary shows the surplus or deficit as part of the five year financial plan. A graphical representation of Revenues vs. Expenses is included as well as projected year end fund balances. In the current model, each year adds to an increasing deficit but at a slower rate than previously predicted. The final year is less of a deficit due to older capital projects coming off of debt service and expenses other than salaries, benefits and equipment remaining constant.

In order to eliminate the deficit, Ken-Ton must determine a way to increase revenues, decrease expenditures or a combination of both options. The District has the most control over its General expenditures and must consider the projected deficits when supporting instruction, negotiating contracts and performing additional capital work.

General (A) Fund Projection Summary											
KTUFSD Long Range Plan											
	BUDGET 2025	2026	%Δ	2027	%Δ	2028	%Δ	2029	%Δ	2030	%Δ
REVENUE											
Local	\$119,391,618	\$121,772,787	1.99%	\$123,708,722	1.59%	\$126,074,716	1.91%	\$125,138,019	-0.74%	\$124,286,012	-0.68%
State	71,686,985	74,229,160	3.55%	75,713,743	2.00%	77,228,018	2.00%	78,772,578	2.00%	80,348,030	2.00%
Federal	400,000	404,000	1.00%	408,040	1.00%	412,120	1.00%	416,242	1.00%	420,404	1.00%
Transfers / Other	200,000	200,000	0.00%	200,000	0.00%	200,000	0.00%	200,000	0.00%	200,000	0.00%
TOTAL REVENUE	191,678,603	196,605,946	2.57%	200,030,505	1.74%	203,914,854	1.94%	204,526,839	0.30%	205,254,446	0.36%
EXPENDITURES											
Salary and Benefit Costs	138,654,592	141,977,390	2.40%	146,038,051	2.86%	150,295,704	2.92%	154,456,781	2.77%	158,351,127	2.52%
Other	53,024,011	54,628,556	3.03%	55,033,883	0.74%	55,168,970	0.25%	50,673,000	-8.15%	50,777,547	0.21%
TOTAL EXPENDITURES	191,678,603	196,605,946	2.57%	201,071,934	2.27%	205,464,675	2.18%	205,129,780	-0.16%	209,128,674	1.95%
SURPLUS / DEFICIT	0	1		(1,041,429)		(1,549,821)		(602,942)		(3,874,228)	
BEGINNING FUND BALANCE	0	0		1		(1,041,429)		(2,591,249)		(3,194,191)	
PROJECTED YEAR END BALANCE	\$0	\$1		(\$1,041,429)		(\$2,591,249)		(\$3,194,191)		(\$7,068,419)	
FUND BALANCE AS % OF EXPENDITURES	0.00%	0.00%		-0.52%		-1.26%		-1.56%		-3.38%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	0.00	0.00		-0.06		-0.15		-0.19		-0.41	

Reserve Fund Plan

Below is a list of the reserve funds including the creation date, purpose, funding methods, use of the reserve and recommended funding level. See ATTACHMENT 1 for the district Reserve Fund Policy.

The following assumptions have been made as part of the overall long range projection:

- Maintain Unassigned Fund Balance at 4% of next year's budget (GML)
- Fund new Capital Reserve established with voter approval in June 2020
- Review reserves for appropriate funding levels each year
- Provide Board of Education with annual updates on funding levels

A806 00 Non-Spendable: Life Insurance Reserve

Creation - This reserve was originally created on 7/1/2001

Purpose - To account for non-spendable amount of Split - Dollar life insurance policies offered to 15 retired district administrators.

Funding Methods - This reserve was funded as payments on these policies were made. Each premium payment the District made to the insured policy adds to the reserve.

Use of Reserve - This reserve is decreased as the District receives the return of their premiums from the insurance companies upon surrender of the policy by the insured or the death of the insured.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Recommended Funding Level - The funding of this reserve is consistent with the actual value of life insurance policies outstanding and will be paid when the benefit becomes available. This reserve is fully funded and as the benefits become available this reserve will become reduced by the value of the life insurance.

9/1/24 Actual Balance: \$880,000

Recommended: \$880,000

A814 00 Reserve for Worker's Compensation

Law Provision - General Municipal Law Sec 6-j

Creation - This reserve was created on 6/30/1999 in the amount of \$200,000. It was increased through the years to keep up with changes in our reserve requirements.

Purpose - This reserve is used to pay for actual worker's compensation claims, related medical expenses and self-insurance medical costs. This reserve represents the estimated liability for workers compensation cost as authorized by Article 2 of the Worker's Compensation Law, and for payment of expenses of administering this self-insurance program.

Funding Methods - This reserve was funded through excess fund balance and budgetary appropriations.

Use of Reserve - The reserve is to be kept at an amount that agrees with the reserve balance calculated by the district's Worker's Compensation Administrator. A portion of the calculated reserve represents current claims which are represented as an accrued liability on the balance sheet.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Recommended Funding Level - Consistent with the Reserve calculated by the district's Worker's Compensation Administrator, less the amount considered to be current, which is represented as a liability.

9/1/24 Actual Balance: \$1,042,210

Recommended: \$1,000,000

A815 00 Reserve for Unemployment

Law Provision - General Municipal Law Sec 6-m

Creation - This reserve was originally created on 11/4/1991.

Purpose - This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the school district uses the benefit reimbursement method.

Funding Methods - Budgetary appropriation and excess fund balance.

Use of Reserve - To pay the State Unemployment Insurance Fund as charged to the District.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - Funding should remain relatively level with expected expenses for the next year.

9/1/24 Actual Balance: \$720,329

Recommended: \$500,000

A827 00 Retirement Contribution Reserve

Law Provision - General Municipal Law Sec 6-r

Creation - This reserve was created on June 14, 2016. The TRS Sub fund was created in May 2019

Purpose - This reserve is used to fund employer retirement contributions. This reserve may only be used for ERS contribution and not TRS.

Funding Methods - This reserve is funded through excess fund balance and transfers from the Employee Benefit Accrued Liability Reserve.

Use of Reserve - This reserve will be funded while rates show a downward trend. In the event of a sudden increase in ERS or TRS rates, this reserve will be used to fund the increased expense.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance.

Funding Level - A funding level equal to approximately two years of retirement system billings is desired. At current rates, that level is approximately \$5.1 million for ERS. The recommended funding for TRS is not to exceed 10% of teacher salaries from the prior year and that equates to \$6.5 million.

9/1/24 Actual Balance ERS: \$5,000,596

Recommended: \$9,000,000

9/1/24 Actual Balance TRS: \$3,683,066

A864 00 Tax Certiorari Reserve

Law Provision - Education Law Section 3651(1-a)

Creation - This reserve was originally created on 06/30/2008.

Purpose - To pay judgements and claims in tax certiorari proceedings in accordance with Article seven of the Real Property Tax Law.

Funding Methods - Does not require funding approval to establish and expend. Excess fund balance and budgetary appropriations.

Use of Reserve - Used to pay judgments and claims included in the listing.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - Funding should match outstanding litigation surrounding judgements and claims in tax certiorari proceedings. A review of claims has been completed and many claims have been settled.

9/1/24 Actual Balance: \$235,969

Recommended: \$200,000

A863 00 Insurance Reserve

Law Provision – General Municipal Law Section 6-n

Creation - This reserve was originally created on 06/2/2020.

Purpose - To fund uninsured losses, claims, actions or judgments for which the District is authorized or required by law to purchase or maintain insurance.

Funding Methods - Does not require funding approval to establish and expend. Excess fund balance and budgetary appropriations.

Use of Reserve - Used to pay judgments and claims.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - Funding should match outstanding litigation surrounding judgements and potential claims.

9/1/24 Actual Balance: \$5,777,145

Recommended: \$5,777,145

A867 00 Employee Benefit Accrued Liability Reserve (EBALR)

Law Provision - General Municipal Law Sec 6-p

Creation - This reserve was originally created on 4/21/2009 in the amount of \$7,941,425.09. A referendum is not needed to create.

Purpose - Available for the cash payment of accrued and accumulated but unused sick leave, personal leave, vacation time and other benefits earned by employees and payable upon termination, that are not covered by another existing reserve fund. This fund cannot be used for lump sum payments upon separation that are calculated in a manner unrelated to accrued leave credits.

Funding Methods - Budgetary appropriation, transfer from other reserves.

Use of Reserve - Can be used without referendum.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - As recommended by auditors.

9/1/24 Actual Balance: \$1,874,402

Recommended: \$1,500,000

A878 01 Capital Reserve

Law Provision - Education Law Section 3651(1)

Creation - A capital reserve was created on 5/17/2016 by voter approval, and funded completely through excess surplus revenue. That reserve was liquidated at 8.56 million for a voter approved capital project in May 2024. A new reserve was voter approved In June 2020 for a fifteen-year term and not to exceed \$20,000,000.

Purpose - This reserve may be used to fund the cost of any object or purpose for which bonds may be issued.

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 dollar amounts.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - As stated in the approved proposition, this reserve was created with a maximum limit of \$20,000,000.

9/1/24 Actual Balance: \$-

9/1/24 Actual Balance: \$3,252,266

Recommended: \$20,000,000

A882 00 Reserve for Repairs

Law Provision - General Municipal Law Sec 6-d

Creation - This reserve was originally created on 11/4/1991. It was more recently ratified and approved by the Board of Education in the amount of \$1,402,799 on 9/14/2010. This reserve can be created by Board approval.

Purpose - This reserve is used for repairs to capital improvements or equipment not recurring annually or at shorter intervals.

Funding Methods - Voter approval is required to fund this reserve via budgetary appropriations, or surplus funds.

Use of Reserve - A resolution appropriating monies from a repair reserve fund is subject to a public hearing and at least five (5) days must elapse between the publication of the notice of hearing and the date specified for the hearing. In an emergency, money may be expended without notice and hearing. In that case, the Board must pass a resolution approved by at least a two-thirds vote. At least one half of the expenditure must be repaid to the reserve in the next fiscal year and the balance repaid by the end of that next following fiscal year.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - No limit.

9/1/24 Actual Balance: \$1,699,145

Recommended: \$1,597,721

A884 00 Debt Reserve

Law Provision - General Municipal Law Sec 6-l

Creation - This reserve was created based upon the positive balance left on a bonded capital project. All leftover funds in each project, and interest is to be used to make future debt payments on that specific borrowing.

Purpose - These funds are to be used specifically to offset debt service payments in the General Fund via inter-fund transfer.

Funding Methods - Interest on capital project funds, premiums on borrowings, and excess funds left on bonded projects.

Use of Reserve - Used to pay principal and interest on debt.

Monitoring of Reserve - This reserve is monitored by the Assistant Superintendent for Finance

Funding Level - As determined by excess capital funding.

9/1/24 Actual Balance: \$5,359,438

Recommended: \$1,500,000

A917 00 Unappropriated Fund Balance

Creation - Retention of these funds are allowable by law.

Purpose - These funds are unrestricted and may be used for any appropriate purpose.

Funding Methods - These funds are accumulated from excess fund balance.

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

Monitoring of Reserve - The balance and use of funds are monitored by the Assistant Superintendent for Finance

Funding Level - The maximum legal limit is recommended (4% of the ensuing budget).

9/1/24 Actual Balance: \$7,667,144

Recommended: \$7,667,144

A914 00 Appropriated Fund Balance

Creation - These funds are fund balance that have been set aside for a particular purpose, namely to reduce the tax levy required to support ensuing budget years.

Purpose - These funds are set aside and returned to the community by lowering the required tax levy to support the district's budget.

Funding Methods - These funds are fund balance that are assigned for a particular purpose.

Use of Funds- It is recommended that the practice of returning these funds continue each year, as budgets permit. In the future, tighter budgets may restrict the amount of excess available to be returned in a subsequent year.

Monitoring of Reserve - The balance and use of funds are monitored by the Assistant Superintendent for Finance

Funding Level - Over time, it is recommended that the planned amount of assigned fund balance included as a revenue source in future budgets be limited to \$5,550,000. This will take time because the reduction creates addition equity.

9/1/24 Actual Balance: \$5,338,105

Recommended: \$5,338,105