

**WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
RESERVE PLAN
UPDATED NOVEMBER 2017**

Unemployment Compensation Reserve – A815

Creation – This reserve was created on June 30, 2009.

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 – This reserve is funded through excess fund balance.

Use of Reserve – The District subscribes to the benefit reimbursement method, meaning we reimburse the State for actual claims incurred. We do not pay New York State a fixed premium for unemployment insurance coverage. This reserve would serve to cover the District’s financial obligation to pay unemployment benefits which either come up unexpectedly or in lieu of the District making an annual appropriation in its budget for unemployment claims. The initial funding was an amount sufficient to pay full unemployment insurance at the maximum rate (\$405 x 26 weeks) for approximately eleven individuals. Although the budget has had and continues to contain funding for unemployment insurance, this amount is used for relatively small, incidental claims incurred by the District in the normal course of business. Although the District has experienced some layoffs over the past few years, not all have resulted in unemployment expense to the District.

Monitoring of Reserve – This reserve will be monitored by the Assistant Superintendent for Business in conjunction with other central office administrators to assess the potential for incurring unemployment claims.

Funding Level – This reserve was initially funded at \$115,000 June of 2009. The BOE initially authorized funding to a maximum of \$525,000 at that time. The BOE increased the authorization to fund this reserve in the amount not to exceed \$1,750,000 in November 2013. At this time, the balance is \$ 671,100.75.

6/30/17 Actual Balance: \$ 671,100.75 Recommended 6/30/17: \$, including interest

| Date | Ref Number | Explanation | Schedule | Debits | Credits | Balance |
|-------------|-------------------|--|-----------------|----------------|----------------|----------------|
| 06/30/2009 | 1324 | unemployment compensation reserve | JE-14 | \$0.00 | \$115,000.00 | \$115,000.00 |
| 06/30/2010 | 1153 | bank interest on reserves | JE-14 | \$0.00 | \$1,053.40 | \$116,053.40 |
| 06/30/2011 | 1436 | BANK INTEREST | JE-14 | \$0.00 | \$731.14 | \$116,784.54 |
| 06/30/2011 | 1437 | exp comp abs, retirement & bene reserves | JE-14 | \$25,000.00 | \$0.00 | \$91,784.54 |
| 06/30/2011 | 1530 | fund unemployment insurance reserve | JE-14 | \$0.00 | \$400,000.00 | \$491,784.54 |
| 06/30/2012 | 1390 | expend reserves | JE-15 | \$25,000.00 | \$0.00 | \$466,784.54 |
| 06/30/2012 | 1398 | fund reserves | JE-17 | \$0.00 | \$1,200,000.00 | \$1,666,784.54 |
| 06/30/2012 | 1312 | interest on reserves | JE-15 | \$0.00 | \$2,114.67 | \$1,668,899.21 |
| 06/30/2013 | 1370 | allocation of bank interest on reserves | JE-13 | \$0.00 | \$5,340.48 | \$1,674,239.69 |
| 06/30/2014 | 1323 | allocate bank interest to reserves | JE-13 | \$0.00 | \$6,027.26 | \$1,680,266.95 |
| 06/30/2014 | 1333 | expend reserves | JE-13 | \$19,850.00 | \$0.00 | \$1,660,416.95 |
| 06/30/2015 | 1308 | Interest allocation on reserves | JE-14 | \$0.00 | \$5,811.46 | \$1,666,228.41 |
| 06/30/2015 | 1511 | reclass to fund repair reserve | JE-17 | \$1,000,000.00 | \$0.00 | \$666,228.41 |
| 06/30/2016 | 1434 | allocation of bank interest on reserve | JE-13 | \$0.00 | \$2,398.42 | \$668,626.83 |
| 06/30/2017 | 1467 | Allocate bank interest to reserves | JE-15 | \$0.00 | \$2,473.92 | \$671,100.75 |

**WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
RESERVE PLAN
UPDATED NOVEMBER 2017**

Reserve for Retirement Contributions – A827

Creation – This reserve was created on June 30, 2009.

Purpose – This reserve is used to fund employer retirement contributions i.e. any portion of the amount(s) payable by an eligible school district to the New York State and Local Employees’ Retirement System (ERS), **but not TRS**.

Funding Methods – This reserve is funded through excess fund balance.

Use of Reserve – This reserve is used to pay for district expenses to the New York State and Local Employees’ Retirement System (ERS) only. There is currently no authority in law for districts to place funds in reserve for amounts payable to the Teachers’ Retirement System (TRS). To ensure that the District can withstand a substantial increase in pension contribution rates without doing so to the detriment of student programs.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Business.

Funding Level – Future ERS contribution rates have been predicted to increase dramatically and this reserve is funded as another way to ensure that the District can withstand a substantial increase in pension contribution rates. This reserve was initially funded at \$700,000 June of 2009. The BOE authorized funding to a maximum of \$6,500,000 in October 2011. The BOE increased the reserve level to \$12,425,051 in November 2013. At this time, the balance is \$10,254,533.73

6/30/17 Actual Balance: \$10,254,533.73 Recommended 6/30/17: \$, including interest

| Date | Ref Number | Explanation | Schedule | Debits | Credits | Balance |
|------------|------------|--|----------|----------------|----------------|-----------------|
| 06/30/2009 | 1323 | retirement contributions reserve | JE-14 | | \$700,000.00 | \$700,000.00 |
| 06/30/2010 | 1153 | bank interest on reserves | JE-14 | | \$6,412.00 | \$706,412.00 |
| 06/30/2011 | 1436 | BANK INTEREST | JE-14 | | \$4,450.40 | \$710,862.40 |
| 06/30/2011 | 1437 | exp comp abs, retirement & bene reserves | JE-14 | \$150,000.00 | \$0.00 | \$560,862.40 |
| 06/30/2011 | 1531 | fund employee retirement reserve | JE-14 | | \$5,486,801.00 | \$6,047,663.40 |
| 06/30/2012 | 1390 | expend reserves | JE-15 | \$150,000.00 | \$0.00 | \$5,897,663.40 |
| 06/30/2012 | 1398 | fund reserves | JE-17 | | \$2,000,000.00 | \$7,897,663.40 |
| 06/30/2012 | 1312 | interest on reserves | JE-15 | | \$26,004.95 | \$7,923,668.35 |
| 06/30/2013 | 1370 | allocation of bank interest on reserves | JE-13 | | \$25,355.74 | \$7,949,024.09 |
| 06/30/2013 | 1434 | fund reserves | JE-13 | | \$4,476,027.00 | \$12,425,051.09 |
| 06/30/2014 | 1412 | adjust retirement reserve to estimate | JE-13 | | \$1,517,270.00 | \$13,942,321.09 |
| 06/30/2014 | 1323 | allocate bank interest to reserves | JE-13 | | \$44,730.18 | \$13,987,051.27 |
| 06/30/2014 | 1333 | expend reserves | JE-13 | \$1,562,000.00 | \$0.00 | \$12,425,051.27 |
| 06/30/2015 | 1308 | Interest allocation on reserves | JE-14 | | \$43,487.68 | \$12,468,538.95 |
| 06/30/2015 | 1511 | reclass to fund repair reserve | JE-17 | \$2,468,538.95 | \$0.00 | \$10,000,000.00 |
| 06/30/2016 | 1434 | allocation of bank interest on reserves | JE-13 | | \$36,000.00 | \$10,036,000.00 |
| 06/30/2016 | 1536 | increase retirement reserve | JE-15 | | \$180,731.82 | \$10,216,731.82 |
| 06/30/2017 | 1467 | allocate bank interest to reserves | JE-15 | | \$37,801.91 | \$10,254,533.73 |

**WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
RESERVE PLAN
UPDATED NOVEMBER 2017**

Reserve for Employee Benefits Accrued Liability (EBALR) – A867

Creation – This reserve was created on June 30, 2003.

Purpose – This reserve is used to pay accrued benefits due employees upon termination or service for vacation, sick leave, personal leave etc.

Funding Methods – This reserve is funded through excess fund balance.

Use of Reserve – This reserve is used when an employee separates from the District and payment of accumulated leave is required. These transactions flow through the budget via a budget revision with the offsetting revenue coming from a drawdown of this reserve. This reserve will continue to be used in this manner to make these payments.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Business. Each year, a detailed analysis of the liability is computed and is used to support the funding of this reserve at 100% of the liability.

Funding Level – This reserve should be funded at 100% of the accrued liability for unused accumulated leave time. The BOE authorized funding to a maximum of \$6,700,000 in October 2011. The BOE increased the reserve level to \$7,832,789 in November 2013. The BOE increased the reserve level in the amount not to exceed \$8,200,000. At this time, the balance is \$7,198,716.50.

6/30/17 Actual Balance: \$ 7,198,716.50 Recommended 6/30/17: \$, including interest

Note: It is recommended that the amount deemed “overfunded” remain in this reserve. Originally intended to offset the GASB 45 liability, it should be retained for that purpose, should enabling legislation be authored. It has been recommended that the definition of this reserve simply be expanded to include GASB 45 liabilities.

| Date | Ref Number | Explanation | Schedule | Debits | Credits | Balance |
|------------|------------|--|----------|----------------|----------------|----------------|
| 07/31/2003 | 30185 | BEGINING BALANCES 2003-04 | JE-2 | \$0.00 | \$8,553,367.36 | \$8,553,367.36 |
| 06/30/2004 | 31685 | ADJUST RESERVE FOR EMP BENE | JE-38 | \$332,719.47 | \$0.00 | \$8,220,647.89 |
| 06/30/2007 | 1365 | charge retire inc. to reserve | JE-15 | \$1,997,018.00 | \$0.00 | \$6,223,629.89 |
| 06/30/2008 | 1176 | aud aje-adj employee bene reserve | JE-14 | \$0.00 | \$427,344.00 | \$6,650,973.89 |
| 06/30/2008 | 1180 | employers share fica/medicare | JE-14 | \$0.00 | \$508,799.00 | \$7,159,772.89 |
| 06/30/2010 | 1153 | bank interest on reserves | JE-14 | \$0.00 | \$65,583.52 | \$7,225,356.41 |
| 06/30/2010 | 1343 | expense for sick, vacation payouts | JE-14 | \$1,094,618.00 | \$0.00 | \$6,130,738.41 |
| 06/30/2011 | 1436 | BANK INTEREST | JE-14 | \$0.00 | \$38,623.65 | \$6,169,362.06 |
| 06/30/2011 | 1437 | expense comp abs, retirement & bene reserves | JE-14 | \$1,000,000.00 | \$0.00 | \$5,169,362.06 |
| 06/30/2011 | 1527 | FUND EBALR reserve | JE-14 | \$0.00 | \$1,438,604.00 | \$6,607,966.06 |
| 06/30/2012 | 1390 | expend reserves | JE-15 | \$1,000,000.00 | \$0.00 | \$5,607,966.06 |
| 06/30/2012 | 1398 | fund reserves | JE-17 | \$0.00 | \$1,062,739.00 | \$6,670,705.06 |
| 06/30/2012 | 1312 | interest on reserves | JE-15 | \$0.00 | \$28,414.25 | \$6,699,119.31 |
| 06/30/2013 | 1428 | adjust compensated absences | JE-13 | \$0.00 | \$555,606.00 | \$7,254,725.31 |
| 06/30/2013 | 1370 | allocation of bank interest on reserves | JE-13 | \$0.00 | \$21,437.18 | \$7,276,162.49 |
| 06/30/2013 | 1434 | fund reserves | JE-13 | \$0.00 | \$556,627.00 | \$7,832,789.49 |
| 06/30/2014 | 1411 | adjust ebalr to estimate | JE-13 | \$0.00 | \$342,426.00 | \$8,175,215.49 |
| 06/30/2014 | 1323 | allocate bank interest to reserves | JE-13 | \$0.00 | \$28,198.04 | \$8,203,413.53 |
| 06/30/2014 | 1333 | expend reserves | JE-13 | \$650,000.00 | \$0.00 | \$7,553,413.53 |
| 06/30/2015 | 1308 | Interest allocation on reserves | JE-14 | \$0.00 | \$26,436.95 | \$7,579,850.48 |

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**WILLIAM FLOYD UNION FREE SCHOOL DISTRICT
RESERVE PLAN
UPDATED NOVEMBER 2017**

Reserve for Employee Benefits Accrued Liability (EBALR) – A867 - continued

| Date | Ref Number | Explanation | Schedule | Debits | Credits | Balance |
|-------------|-------------------|---|-----------------|----------------|----------------|----------------|
| 06/30/2016 | 1434 | Allocation of bank interest on reserves | JE-13 | \$0.00 | \$27,287.46 | \$7,607,137.9 |
| 06/30/2016 | Multi | Reduce employee severances to reserve | Multi | \$1,695,216.36 | \$0.00 | \$5,911,921.5 |
| 06/30/2016 | 1532/1533 | RJE04 – adjust to stay within 4% limit | JE-13 | \$0.00 | \$2,201,221.80 | \$8,113,143.3 |
| 06/30/2017 | 1425 | Reduce ebalr reserve for 2016-17 retiree accruals | JE-15 | \$24,031.48 | \$0.00 | \$8,089,111.9 |
| 06/03/2017 | 1426 | Reduce ebalr reserve for 2016-17 retiree accruals | JE-15 | \$28,876.90 | \$0.00 | \$8,060,235.0 |
| 06/30/2017 | 1427 | Reduce ebalr reserve for 2016-17 retiree accruals | JE-15 | \$278,069.00 | \$0.00 | \$7,782,166.0 |
| 06/30/2017 | 1428 | Reduce ebalr reserve for 2016-17 retiree accruals | JE-15 | \$57,465.00 | \$0.00 | \$7,724,701.0 |
| 06/30/2017 | 1429 | Reduce ebalr reserve for 2016-17 retiree accruals | JE-15 | \$209,733.75 | \$0.00 | \$7,514,967.2 |
| 06/30/2017 | 1436 | Reduce ebalr reserve for 2016-17 accrued January retirees | JE-15 | \$193,024.60 | \$0.00 | \$7,321,942.6 |
| 06/30/2017 | 1438 | Reduce ebalr reserve for 2016-17 accrued retirees | JE-15 | \$54,000.00 | \$0.00 | \$7,267,942.6 |
| 06/30/2017 | 1467 | allocate bank interest to reserves | JE-15 | \$0.00 | \$30,018.63 | \$7,297,961.2 |
| 06/30/2017 | 1602 | Reduce ebalr for 2016-17 retiree - january expenses | HE-15 | \$99,244.78 | \$0.00 | \$7,198,716.5 |

