



HUNTINGTON UFSD

2024

RESERVE PLAN

&

FISCAL YEAR END AUDIT

Summary of Change on Reserve Balances

Fiscal 2022 to 2024

	2024	2023	Increase (Decrease)
General Fund			
Restricted:			
Workers' compensation	\$ 2,927,049	\$ 2,566,962	\$ 360,087
Unemployment insurance	184,234	177,191	7,043
Retirement contribution			
Teachers' retirement system	3,064,253	2,228,939	835,314
Employees' retirement system	5,722,874	5,513,760	209,114
Employee benefit accrued liability	6,368,347	6,548,640	(180,293)
Capital	3,685,809	5,014,348	(1,328,539)
Assigned:			
Appropriated fund balance	1,400,000	600,000	800,000
Unappropriated fund balance	1,687,749	3,416,860	(1,729,111)
Unassigned: Fund balance	5,846,648	5,853,886	(7,238)
	<u>30,886,963</u>	<u>31,920,586</u>	<u>(1,033,623)</u>

	2023	2022	Increase (Decrease)
General Fund			
Restricted:			
Workers' compensation	\$ 2,566,962	\$ 2,214,415	\$ 352,547
Unemployment insurance	177,191	58,320	118,871
Retirement contribution			
Teachers' retirement system	2,228,939	2,143,085	85,854
Employees' retirement system	5,513,760	5,909,132	(395,372)
Employee benefit accrued liability	6,548,640	6,396,846	151,794
Capital	5,014,348	4,681,041	333,307
Assigned:			
Appropriated fund balance	600,000	1,000,000	(400,000)
Unappropriated fund balance	3,416,860	4,757,861	(1,341,001)
Unassigned: Fund balance	5,853,886	5,718,733	135,153
	<u>31,920,586</u>	<u>32,879,433</u>	<u>(958,847)</u>

Restricted Fund Balance Activity

For the year Ended 6/30/2024

	Balance June 30, 2023	Reduction of Reserves	Use of Reserves	Interest	Funding	Balance June 30, 2024
Workers' compensation	\$ 2,566,962	\$	\$ (340,876)	\$ 102,027	\$ 598,936	\$ 2,927,049
Unemployment insurance	177,191			7,043		184,234
Retirement contribution						
TRS	2,228,939		(262,368)	88,592	1,009,090	3,064,253
ERS	5,513,760		(322,076)	219,150	312,040	5,722,874
EBALR	6,548,640	(440,576)		260,283		6,368,347
Capital						
2008	66		(66)			
2013	11,845		(11,845)			
2017	62,378		(62,378)			
2018	13,708		(13,708)			
2022	4,926,351		(4,477,803)	199,301	3,037,960	3,685,809
	<u>\$ 22,049,840</u>	<u>\$ (440,576)</u>	<u>\$ (5,491,120)</u>	<u>\$ 876,396</u>	<u>\$ 4,958,026</u>	<u>\$ 21,952,566</u>

Capital Reserve Summary

Date Created	May 2008	May 2013	May 2017	May 2018	May 2022
Number of Years to Fund	8	8	8	5	10
Maximum Funding	<u>\$10,000,000</u>	<u>\$10,000,000</u>	<u>\$12,500,000</u>	<u>\$ 1,500,000</u>	<u>\$15,000,000</u>
General Fund					
Funding Provided	\$10,000,000	\$10,000,000	\$12,500,000	\$ 1,500,000	\$11,472,986
Interest Earnings	34,962	84,673	88,257	12,162	297,424
Use of Reserve	<u>(10,034,962)</u>	<u>(10,084,673)</u>	<u>(12,588,257)</u>	<u>(1,512,162)</u>	<u>(8,084,601)</u>
Total General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,685,809</u>
Capital Projects Fund					
Funding Provided	10,034,962	10,084,673	12,588,257	1,512,162	8,084,601
Use of Reserve	<u>(9,890,624)</u>	<u>(9,597,274)</u>	<u>(9,420,426)</u>	<u>(918,583)</u>	<u>(95,220)</u>
Total Capital Projects Fund	<u>144,338</u>	<u>487,399</u>	<u>3,167,831</u>	<u>593,579</u>	<u>7,989,381</u>
* Balance as of June 30, 2024	<u>\$ 144,338</u>	<u>\$ 487,399</u>	<u>\$ 3,167,831</u>	<u>\$ 593,579</u>	<u>\$11,675,190</u>

May 2022 Reserve: Capacity to fund with an additional \$3.5M

May 2025: Request to establish a new reserve

**Balance is the project amount funded, not what is available within the Capital Project Fund*

Debt Service

The following is a summary of debt service requirements for bonds payable:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 215,000	\$ 17,600	\$ 232,600
2026	225,000	9,000	234,000
Total	\$ 440,000	\$ 26,600	\$ 466,600

2024	2023	Increase (Decrease)
212,522	212,522	-

Debt Service Fund

*Restricted: Debt service

**The 2025-2026 Budget will include a revenue line item for Debt Service Interfund Transfer in the amount of \$212,522, which will close out the available funds in the debt service fund. This has to be used toward debt payments, and since 2025-2026 will be the final payment, it is an appropriate time to utilize funds*

Terminology Defined

- ▶ Assigned Appropriated Fund Balance – consists of amounts subject to a purpose constraint representing an intended use established by the District’s board. It includes an amount appropriated to fund the subsequent year’s budget partially, as well as encumbrances not classified as restricted at the end of the fiscal year
- ▶ Assigned Unappropriated Fund Balance – consist of encumbrances not classified as restricted at the end of the fiscal year. This means that a purchase order was created within the fiscal year and the goods/services have not been rendered so payment has not occurred as of June 30th, but is anticipated to be completed.
- ▶ Capital Reserve - This reserve may be used to fund the cost of any object or purpose for which bonds may be issued. Use of this reserve requires voter approval. The proposition to use these funds must be specific to projects and dollar amounts.
- ▶ Debt Service Fund - Unexpended balances of proceeds of borrowings for capital projects, interest, and earnings from investing proceeds of obligations, as well as premiums and accrued interest on long-term borrowings, are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts are accounted for in the debt service fund.
- ▶ Employee Benefit Accrued Liability Reserve - This reserve is used to pay for unused accumulated leave time contractually provided to certain groups of employees. This typically includes payment for unused sick and vacation days. This fund cannot be used to pay for such items as retirement incentives, FICA and Medicare payments, and retiree health insurance. This reserve is used when an employee separates from the District and payment of accumulated leave is required. These transactions flow through the budget from reserve transfer contributions. This reserve will continue to be used by the District to make such payments.
- ▶ ERS Reserve - This reserve is used to pay for district expenses to the NYS Employees Retirement System (ERS) only. Payments to the NYS Teachers Retirement System (TRS) from this reserve are not permitted. The plan calls for annual use of this fund in decreasing amounts so as not to create a budgetary shortfall.
- ▶ TRS Reserve – This reserve is used to pay for district expenses to the NYSTRS only. Payments to the NYSERS from this reserve are not permitted. – The plan calls for annual use of this fund in decreasing amounts so as not to create a budgetary shortfall.
- ▶ Unassigned Fund Balance—These funds are unrestricted and may be used for any valid purpose. They are designated only for unanticipated emergency expenses or revenue shortfalls that cannot be addressed via the General Fund budget or with other available reserves.
- ▶ Unemployment Insurance Reserve - This reserve is used to reimburse the state for payments made to claimants for whom the district uses the benefit reimbursement method. The benefit reimbursement method suggests reimbursement to the State for actual claims incurred. The district does not pay the State a fixed premium for unemployment insurance coverage. Monies budgeted within the General Fund address incidental claims incurred by the District during the normal course of business.
- ▶ Workers’ Compensation Reserve - This reserve is used to pay for actual workers’ compensation claims related to medical expenses and self-insurance administrative costs. It cannot be used to pay for workers’ compensation insurance premiums. (This includes a prohibition against using these funds to pay our annual contribution to the cooperative NYSIR). – This reserve will be used to pay claims filed during the time period when the district was self-insured.