



**OCEANSIDE UNION FREE SCHOOL DISTRICT
SUPERINTENDENT’S REGULATIONS FOR GENERAL FUND RESERVES USED IN CONJUNCTION
WITH BOE FUND BALANCE & RESERVE FUND POLICIES
UPDATED OCTOBER 2023**

Reserve for Retirement Contributions (ERS & TRS Sub-Reserve)

Creation – This reserve for ERS was established as of April 20, 2009. The TRS Sub-Reserve was established by the Board of Education via resolution on May 8, 2019.

Purpose – It is used to pay for employer contributions to the NYS Retirement Systems.

Use of Reserve – This reserve has been, and will be used in future years as a revenue source to mitigate projected increases in required employer contributions. If operational fund balance is available in a given fiscal year, it is recommended to replace funds used.

Funding Level – For ERS, a funding level equal to 2-3 years’ retirement system billings is advisable by District auditors. For TRS, 2% of a fiscal year’s TRS-eligible salaries are permitted to be reserved with a maximum balance capped at 10% of TRS-eligible compensation.

ERS 06/30/22	\$ 8,952,314	ERS 06/30/23	\$ 9,118,756
TRS 06/30/22	\$ 5,346,611	TRS 06/30/23	\$ 6,820,731
Total 06/30/22	\$ 14,298,925	Total 06/30/23	\$ 15,939,487

Employee Benefits Accrued Liability Reserve (EBALR)

Creation – This reserve was established as of June 30, 2009.

Purpose – 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, compensatory and/or vacation pay.

Use of Reserve – This reserve is used when an employee separates from the District and payment of accumulated leave is required.

Funding Level – The funding level can equal the sum of the liability for compensated absences which as of 06/30/2023 = \$3,137,804.

06/30/22 = \$3,080,531	06/30/23 = \$3,137,804
-------------------------------	-------------------------------

Reserve for Workers Compensation

Creation – This reserve was funded as of June 30, 2001.

Purpose – This reserve is intended to pay for actual worker’s compensation claims, related to medical expenses and self-insurance administrative costs.

Use of Funds – This reserve has been used to pay claims over the years and is essentially exhausted.

Funding Level – Minimum balance remaining; all claims to be paid via the General Fund operating budget. Short & Long-Term claims payable as of 06/30/2023 = \$1,027,360.

06/30/22 = \$1,008,608

06/30/23 = \$1,027,360

Reserve for Repairs

Creation & Purpose – This reserve was established by the Board of Education in January 2016 and will be used to fund facility refurbishments.

Funding Level – Determined annually by the Board of Education through public budgeting process.

06/30/22 = \$363,656

06/30/23 = \$370,417

Capital Reserve

Creation – This reserve was established by the community in May 2018.

Purpose – This reserve may be used to fund the cost of any object or purpose for which bonds may be issued; i.e. construction projects and/or major equipment purchases.

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/or listing of equipment items.

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

Funding Level – This reserve has a maximum deposit limit of \$20,000,000. Accumulation of funds into this reserve must cease at the earlier of reaching \$20M in transfers from year-end excess fund balance or 20 years.

06/30/22 = \$ 20,344,928

06/30/23 = \$28,294,144

Unassigned Fund Balance

Creation – Retention of these funds are allowed by law.

Purpose – These funds are unrestricted and may be used for any valid purpose.

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

Funding Level – The State Comptroller’s recommendation of this reserve fund is 4% of the subsequent year’s budget ($\$174,377,846 \times 4\% = \$6,975,114$).

06/30/22 = \$11,756,628

06/30/23 = \$ 7,945,718

Assigned Fund Balance - Appropriated for Subsequent Years

Creation & Purpose – These funds have been set aside to reduce the tax levy required to support an ensuing year’s budget to ease the burden on the taxpayers.

Funding Level – Determined annually by the Board of Education based on reserve levels and fund balance projections.

06/30/22 = \$2,750,000

06/30/23 = \$2,750,000

Funding Strategy & Fiscal Goals

During fiscal years 2020-2023, the District utilized reserve funds exactly as they were intended to be used. The District has a fiscally sound plan carefully monitoring annual revenue and expenditures. Through conservative budgeting, the District has achieved an “unmodified opinion” (highest rating possible) in the last three (3) years’ audited financial statements, which resulted in an improved Moody’s Credit Rating to Aa2.

Fiscal Goals:

Reach and maintain Unassigned Fund Balance at 4%.

Achieved as of 6/30/2015 and maintained.

Fully accrue TRS liability.

Achieved as of 6/30/2016 and maintained.

Fully accrue EBALR (Compensated Absences) liability to fund separation agreements and provide potential for future, potential retirement incentives based on sick days.

Achieved as of 6/30/2017 and maintained.

Increase Workers’ Compensation Reserve to approximately one year’s worth of expenses to protect the General Fund against large claims. District is self-insured.

Achieved as of 6/30/2017 and maintained.

Increase Retirement Contributions Reserve (ERS) to a level equal to three years’ of the District’s projected liability.

Achieved as of 6/30/2018 and maintained.

Annually Increase Retirement Contributions Reserve (TRS) in an amount equal to 2% of TRS-eligible salaries.

Achieved as of 6/30/2019 and maintained.

Build Capital Reserve Fund to reduce and/or eliminate the need to issue debt for the potential purchase of capital items such as construction initiatives and equipment.

Achieved as of 6/30/2021 and maintained.

Updated as of October 2023 (JC)