



ELWOOD UNION FREE SCHOOL DISTRICT
GREENLAWN, NEW YORK
M E M O R A N D U M

To: Dr. Kenneth Bossert, Superintendent
From: Keri Loughlin, Assistant Superintendent for Business
Subject: Fund Balance Annual Report
Date: October 20, 2017

As per BOE Policy 6020 - Fund Balance and Reserve Funds I am providing you with an update as of year-end 2017 on all reserve for the Elwood UFSD. Throughout the course of the current school year the business office will continue to monitor fund balance and reserves and provide updates during the budget process as well as needs for the reserve funds for the 2017-2018 and 2018-2019 school years.

Elwood's Current Reserves:

- Restricted Reserves - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
 - o Employee Benefit Accrued Liability - Established June 30, 2003; According to General Municipal Law this must be used for the payment of accrued employee benefit due an employee upon termination of the employee's services. This reserve may be 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. This reserve is accounted for in the general fund under restricted fund balance.
 - o Retirement Contribution - Established June 30, 2012; According to General Municipal Law this must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.
 - o Debt Service - Established June 30, 2015; The unexpected balances of proceeds of borrowings for capital projects, interest and earnings from

investing proceeds of borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the debt service fund.

- o Unemployment Insurance - According to General Municipal Law this must be used to pay the cost of reimbursement to the state Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to another reserve fund. This reserve is accounted for in the general fund under restricted fund balance.
- Unassigned Fund Balance - Includes the residual fund balance for the general fund and includes the residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative fund balance. NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District budget for the fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation.

Please see attached the detail for each of the above mentioned reserves. The spreadsheet shows the beginning balances of each reserve and the in's and out's that occurred over the course of the 2016-2017 school year. Overall the district has increased Fund Balance as a whole by \$1,390,876. As a result of the increase in fund balance, the reduction of deficiency in the general fund budget and increased cash flow the district should expect to see a fiscal designation of "no designation" from the NYS Comptroller's office.

Elwood UFSD
Fund Equity Reconciliation
June 30, 2017

Prepared by: KL 8/24/17

	Total Fund Equity	NONSPENDABLE	RESTRICTED				ASSIGNED		UNASSIGNED
		Prepaid Items	Employee Benefits Accr Liab	Unemployment Insurance	Retirement Contribution	Debt Service	Encumbrances	Appropriated	Fund Balance (Deficit)
Opening Balance	\$ 5,639,400	-	\$ 1,232,685	\$ 13,489	\$ 611,132	\$ 15,652	\$ 123,297	\$ 1,500,000	\$ 2,143,145
Revenues	\$ 58,808,883								58,808,883
Expenditures	\$ (57,418,006)								(57,418,006)
Change in Encumbrance							(39,581)		39,581
Change in Appro. FB								(24,030)	24,030
Change in Nonspendable									-
CHANGE IN RESERVES									-
Earnings of Reserve			5,844	64	2,897	74			(8,879)
Funding of Reserve					1,176,000		-		(1,176,000)
Appropriated Reserves									-
Closing Balance	\$ 7,030,277	\$ -	\$ 1,238,529	\$ 13,553	\$ 1,790,029	\$ 15,726	\$ 83,716	\$ 1,475,970	2,412,755