

AMHERST CENTRAL SCHOOL DISTRICT

RESERVES PLAN

Approved by the Board of Education on December 9, 2025

Reserve for Retirement Contributions

Creation – This reserve was created on October 5, 2010 by Board of Education resolution and re-established on December 9, 2025.

Purpose – This reserve is used to pay for district expenses to the NYS Employees' Retirement System (ERS).

Funding Methods – Funds are placed in this reserve from excess fund balance.

Use of Reserve – The plan for funds in this reserve is an annual budgetary appropriation, when needed, to general fund to help pay the expenses of the District's share of ERS contributions. It is recommended that in a year where funds are drawn down and used, those funds are replaced at year end using unappropriated fund balance, if available.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – A funding level equal to approximately two (2) years' worth of retirement system billings is desired. At current rates, that level is approximately \$1,487,513.

**6/30/25 Actual Balance: \$1,085,013 Recommended 6/30/26: \$1,487,513, including interest
Recommended increase of \$402,500**

Reserve for Retirement Contributions Sub-Fund

Creation – This reserve was created on April 19, 2018 by Board of Education resolution and re-established on December 9, 2025.

Purpose – This reserve sub-fund is used to pay for district expenses to the NYS Teachers' Retirement System (TRS).

Funding Methods – Funds are placed in this reserve from excess fund balance.

Use of Reserve – The plan for funds in this reserve is an annual budgetary appropriation, when needed, to general fund to help pay the expenses of the District's share of TRS contributions. It is recommended that in a year where funds are drawn down and used, those funds are replaced at year end using unappropriated fund balance, if available.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – A funding level equal to a maximum of up to ten percent (10%) of the prior fiscal year's TRS salaries is permitted at the conclusion of five years. Annual contributions are limited to a maximum of 2% of the prior fiscal year's TRS salaries. For 2024-25, TRS salaries equaled \$30,687,132, allowing for a maximum 2% contribution in the current year of \$613,743. As this reserve sub fund has now been established for more than five years, the total maximum 10% funding level for this reserve sub fund is \$3,068,713. However, we are limited to 2% of prior year TRS salaries as we have not fully funded this reserve each year. Our maximum allowable funding is \$613,743 plus our current balance, which equates to \$2,321,942.

6/30/25 Actual Balance: \$1,708,199

**Recommended 6/30/26: \$2,321,942,
including interest
Recommended increase of \$613,743**

Reserve for Employee Benefit Accrued Liability

Creation – This reserve was created on January 27, 2009 by Board of Education Resolution and re-established on December 9, 2025.

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, vacation, personal leave, etc. This fund cannot be used to pay for items such as: retirement incentives, FICA and Medicare payments and retiree health insurance.

Funding Methods – This reserve was funded from 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 are planned for and expensed through the budget with the offsetting revenue coming from the reserve. Upon termination of reserve by Board of Education, balance not required to satisfy all incurred or accrued liabilities may be transferred to any other reserve fund authorized in the General Municipal Law.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Finance and Operations. 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. As of June 30, 2025 the Amherst CSD compensated absences were calculated to be \$10,439,060. This reserve is currently funded at 19.4%.

6/30/25 Actual Balance: \$2,029,544

**Recommended 6/30/26: \$10,439,060, including interest
Recommended increase of \$8,409,516**

Reserve for Unemployment Insurance

Creation – This reserve was created on October 4, 2011 by Board of Education Resolution and re-established on December 9, 2025.

Purpose – This reserve is used to reimburse the State for payments made to claimants where the district uses the benefit reimbursement method. The District does subscribe 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.

Funding Methods – Funds are placed in this reserve from excess fund balance.

Use of Reserve – The plan for funds in this reserve is an annual budgetary appropriation, when needed, to the general fund to help pay the expenses of the District's obligation for unemployment insurance claims. It is recommended that in a year where funds are drawn down and used to below recommended levels, those funds are replaced at year end using unappropriated fund balance, if available. Excess funds remaining at the end of any school year may be transferred, within 60 days of the close of that fiscal year, to other reserve fund(s) or applied to budgetary appropriations for the new school year.

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

Funding Level – A funding level of approximately ten (10) years worth of unemployment billings is desired. Using payments between 2015 and 2025, our ten year total is \$39,023. However, in 2018-19 and 2019-20, our ten year total was over \$250,000. While our current funding level is more than sufficient to cover ten years of claims, we should carefully consider any changes to this reserve in case claims rise again.

**6/30/25 Actual Balance: \$297,868 Recommended 6/30/26: \$297,868, including interest
Recommended change: none**

Reserve for Tax Certiorari

Creation – This reserve was created on August 25, 2009 by Board of Education Resolution and re-established on December 9, 2025.

Purpose – This reserve is used to pay judgments and claims in tax certiorari proceedings.

Funding Methods –Funding methods may include from excess fund balance or transfers from other reserves. Funds placed in this reserve that are not used to pay tax certiorari judgments or claims must be returned to the General Fund on or before the first day of the fourth fiscal year following the deposit of such monies to the reserve fund.

Use of Reserve – This reserve would be used to pay for tax certiorari claims.

Monitoring of Reserve – This reserve will be monitored by the Assistant Superintendent for Finance and Operations. 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 calculated liability for pending claims. As of September 30, 2025, the Amherst CSD calculated liability is \$912,874. With the current balance of \$124,777, this reserve is funded at 13.7% of maximum liability. The 2024 reevaluation conducted by the Town of Amherst resulted in an anomaly in our calculated liability. Once these are settled and closed, our calculated liability will be more in line with our reserve levels.

**6/30/25: Actual Balance: \$124,777 Recommended 6/30/26: \$124,777, including interest
Recommended change: none**

Reserve for Insurance

Creation – This reserve was created on June 17, 2025 by Board of Education Resolution and re-established on December 9, 2025.

Purpose – This reserve is used to pay for uninsured losses, claims, actions, or judgments for which the local government is authorized or required to purchase or maintain insurance, with a number of exceptions. An insurance reserve fund may also be used to pay for expert or professional services in connection with the investigation, adjustment, or settlement of claims, actions, or judgments. An insurance reserve may not be used to pay for uninsured losses, claims, actions, or judgments for which the following types of insurance are authorized: life insurance, annuities, accident and health insurance, workers' 'compensation and employers' liability insurance, fidelity and surety insurance, credit insurance, title insurance, residual value insurance, mortgage guarantee insurance or to make payments in lieu of unemployment insurance contributions under Article 18 of the Labor Law. In addition, an insurance reserve may not pay for any loss, claim, action, or judgment for which it has established a reserve fund under any other provision of law.

Funding Methods – This reserve was funded from excess fund balance.

Use of Reserve – This reserve is used to pay for expenses and settlements against the District within the provisions and qualifications listed above.

Upon termination of reserve by Board of Education, the money remaining in the reserve may be transferred to another reserve authorized by the General Municipal Law or a reserve established under Education Law Section 3651, but only to the extent that the moneys in the reserve exceed a sum sufficient to pay all liabilities incurred or accrued against the funds, as

certified to the Board by the Assistant Superintendent for Finance and Operations prior to the discontinuance of the reserve.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – The maximum funding level of this reserve during any fiscal year is limited to the greater of \$33,000 or 5 percent of the total annual budget for that year. There is no limit on the total balance.

6/30/25 Actual Balance: \$924,828 Recommended 6/30/26: \$4,083,600, plus interest
Recommended change: \$3,158,772

Reserve for Liability

Creation – This reserve was created on June 17, 2025 by Board of Education Resolution and re-established on December 9, 2025.

Purpose – This reserve is used for the payment of self-insured liability claims.

Funding Methods – This reserve was funded from excess fund balance.

Use of Reserve – This reserve is used to fund expenses for the purposes that the original reserve was established for unless approved by the voters, except that such board may authorize use of such funds other than amounts allocated for unsettled claims or suits including expenses in connection therewith to pay premiums for insurance policies purchased to insure subsequent losses in areas previously self-insured, in the event of dissolution of the self-insurance plan.

Monitoring of Reserve – This reserve is monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – The total amount of the reserve cannot exceed three percent, exclusive of any planned balance presently authorized, of the annual budget of the district. The reserve cannot be reduced below total amounts estimated to be necessary to cover incurred but unsettled claims or suite, including related expenses, other than by payment of losses for which such amounts were established.

6/30/25 Actual Balance: \$2,363,550 Recommended 6/30/26: \$2,450,160 including interest
Recommended increase of \$86,610

Capital Reserve 2021

Creation – This reserve was created on May 18, 2021 by voter approval. It was authorized with a \$10,000,000 limit and a ten (10) year lifetime and will expire on May 17, 2031.

Purpose – This reserve is used to pay the cost of any object or purpose for which bonds may be issued.

Funding Methods – Current and future unappropriated fund balances from the General Fund of the District, as directed by the Board of Education and any other appropriations authorized by the voters from time to time.

Use of Reserve – For the purpose of financing, in whole or in part, additions, alterations, renovations or other improvements to District’s buildings and facilities, including the acquisition and installation of machinery, equipment, apparatus or furnishings required for the purposes of such buildings and facilities, and playgrounds, athletic fields, recreation areas, parking areas, roadways, sidewalks and other site improvements connected to such buildings and facilities. The use of this reserve requires voter approval.

Monitoring of Reserve – This reserve will be monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – The maximum funding level over the lifetime of this reserve is \$10,000,000 as set by voter authorization.

6/30/25 Actual Balance: \$1,754,441 Recommended 6/30/26: up to \$8,000,000
Recommended increase of up to \$6,245,559

NOTE: Once the \$10,000,000 contribution limit is reached, this reserve will then be unavailable to receive future contributions, but may continue to spend down the balance on future voter approved projects. If approved by the voters, additional capital reserves may be established.

<u>Funding:</u>	<u>Usage:</u>
6/30/2021 \$2,000,000	\$2,000,000 - authorized by voters for 2022 Capital Project
6/30/2024 \$1,738,268	

**In May 2026, we will ask the voters to approve a proposition to increase our 2022 Capital Project authorization by \$12.5M. \$5M of that is proposed to come from our current 2021 Capital Reserve (\$1,754,441) and the balance from “other available funds” (\$3,245,559). This request would not have a tax impact on our voters. If approved, the recommended 6/30/2026 balance would be \$0 as the full reserve would be used toward the project. The reserve would still have the ability to receive an additional \$6,245,559 for a future project.*

ADDITIONAL NOTE: all transfers to reserves subsequent to year end are required to occur within sixty (60) days of fiscal year end.

The following four (4) items are not reserve accounts, but are equally as important to planning revenues for the District.

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.

Funding Methods – These funds have been accumulated from excess fund balance.

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.

Monitoring of Balance – These funds are monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – The maximum legal limit is recommended (4% of the ensuing budget). Currently, the balance reflects a compliant 4%.

6/30/25 Actual Balance: \$3,266,880	Recommended 6/30/26: \$3,364,886, or 4% of ensuing year’s adopted budget.
	<i>(Figure provided assumes a 3% increase in 26/27 adopted budget)</i>
	Recommended increase of: \$98,006

Assigned Fund Balance - Appropriated for Subsequent Years

Creation – These funds have been set aside for a particular purpose, namely to reduce the tax levy required to support an ensuing year’s budget.

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 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 Balance – The balance and use of these funds are monitored by the Assistant Superintendent for Finance and Operations, the Superintendent, and the Board of Education.

Funding Level – It is recommended that the planned amount of assigned fund balance included as a revenue source in future budgets remain consistent at \$1,000,000, exclusive of the amount of carryover encumbrances.

6/30/25 Actual Balance: \$1,916,601 (Encumbrances from prior year and appropriated during budget development)

Planned Use of Funds 2025-26: \$916,601 (Encumbrances from prior year)

Debt Service Fund (Restricted Fund Balance)

Creation – The Debt Service Fund (V Fund) was created and authorized by the Board of Education in June 2017.

Purpose – These funds are restricted and may only be used for future debt and interest payments.

Funding Methods – These funds are unspent bond proceeds and bond premiums and interest earned on capital project funds.

Use of Funds – Unspent bond proceeds must be spent on principal payments to pay down the debt associated with the borrowing. Unspent bond premiums must be spent on future interest payments within three (3) years of the bond closing in which the premiums were received. Our current balance is the remainder of our premiums from our previous borrowing and will be applied to our 2025-26 budget. In August 2025, we received an additional \$630,000 in premiums from our \$48M BAN. These funds will be used to help offset tax cap calculations within the next three years.

Monitoring of Reserve – These funds are monitored by the Assistant Superintendent for Finance and Operations.

Funding Level – These funds are accumulated only through unspent bond proceeds, bond premiums, and interest earned on capital project funds.

6/30/25 Actual Balance: \$121,092

**Recommended 6/30/26: \$634,785
Increase of \$513,693**

2022 Capital Project

Approved by the voters on December 13, 2022, part of our funding plan included \$3.2M of “other available funds” to be contributed to our Capital Fund (H Fund) to help finance the project and reduce the local share of the construction costs. We had until the final payments were due (projected year 2027) to gather these funds. However, we were able to reach our funding goal by the end of the 2023-24 fiscal year. We now have the option to continue to contribute funds to further reduce the local share of the project.

<u>Year:</u>	<u>Contributions:</u>	<u>Remaining to contribute:</u>
12/13/2022	\$0	\$3,200,000
6/30/2023	\$900,000	\$2,300,000
6/30/2024	\$2,615,232	\$315,232 more than plan

**In May 2026, we will ask the voters to approve a proposition to increase our 2022 Capital Project authorization by \$12.5M. \$5M of that is proposed to come from our current 2021 Capital Reserve (\$1,754,441) and the balance from “other available funds” (\$3,245,559). This request would not have a tax impact on our voters. If approved, the funding will be recorded in our long range plan.*

<u>Year:</u>	<u>Contributions:</u>	<u>Remaining to contribute:</u>
5/19/2026	\$0	\$3,245,559