Rush-Henrietta Central School District

Reserve Funding and Allowable Uses
2025-26

November 2025

Overview

The establishment and funding of reserves is an important consideration in the maintenance of a sound financial plan for any school district. While strict adherence to state law is required to ensure reserves are both legal and appropriate, adequately funded reserves are vital to the long-term health and stability of the school district. This concept is recognized by the New York State Comptroller:

> *Saving for future projects, acquisitions, and other allowable purposes is an important planning consideration for local governments and school districts. Reserve funds provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, and other requirements. Reserve funds can also provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions. In uncertain economic times, reserve funds can also provide officials with a welcomed budgetary option that can help mitigate the need to cut services or to raise taxes. In good times, money not needed for current purposes can often be set aside in reserves for future use.* ***(Office of the New York State Comptroller – Local Government Management Guide – Reserve Funds, Pg. 1)***

The Rush-Henrietta Central School District believes that the judicious use of reserves greatly reduces long term borrowing costs, smooths large fluctuations in tax rates and minimizes the possibility of draconian mid-year budget cuts which would have a direct impact on students. It believes it is in the best interest of both the students and taxpayers to prudently establish and use reserves. Reserves provide the District Board and management with a tool that allows financial flexibility in times of financial distress or other uncertainties to support quality educational services. Again, the Comptroller notes:

> *The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management. Saving for future capital needs can reduce or eliminate interest and other costs associated with debt issuances. Similarly, certain reserve funds can be utilized to help protect the budget against known risks (a potential lawsuit) or unknown risks (a major ice storm).* ***(Office of the New York State Comptroller – Local Government Management Guide – Reserve Funds, Pg. 2)***

Reserves serve two major purposes:

- Saving money for a large, one-time future expenditure. A capital reserve for the replacement of a roof is an example.

- Reserves which are intended to protect the district against large, currently unknown risks, including major revenue or expenditure budget fluctuations. The contribution rate for the Employees Retirement System set annually by NYS is an example.

Since New York State law mandates that expenditures can be no greater than the budget approved by the voters each May, the Rush Henrietta School District budgets conservatively and practices fiscal prudence throughout each budget year to ensure that unanticipated expenditures do not result in mid-year budget cuts in other areas which would have an immediate impact on

students. This practice has allowed and will allow the district in the future to weather state aid holdbacks or cutbacks, the property tax levy cap, and other negative budget impacts with minimal impact to the district's instructional programs. However, conservative budgeting can also result in budget surpluses at year-end. The Board of Education reviews any budget surpluses and determines the best use of these surpluses including transfers to voter or board of education approved reserves and/or a reduction in the ensuing years' tax levy (assigned fund balance).

Legally established reserves can provide many benefits to the school district and to its taxpayers. However, these reserves can also cause confusion when their purpose is not clearly understood by the community. The purpose of this document is to detail Rush-Henrietta's plan for funding and maintenance of reserves.

The stakeholders of the Rush Henrietta School District recognize the use of reserves as one-time revenues that assist the district in tough budgetary times. They also recognize the importance of funding such reserves in sound financial times so the reserve monies are strong enough to benefit in tougher times. The District believes in conservatively using such reserve monies in times of economic hardship in order to continually preserve and improve the district's current levels of student programming and activities.

Financial Management Philosophy

The Board of Education views strong financial management as an essential to the District's long term fiscal health and ability to provide a quality learning experience to its students. It protects the community's infrastructure investment in our schools and ensures that resources are available to protect the programs and services necessary to meet the varying needs of a diverse student population. Financial decisions cannot be made for the short term without consideration of how they affect the future, and reserves play a vital role in ensuring a sound future.

The Board of Education's beliefs about fiscal management and the maintenance of reserves are based on the following principles:

- Programs and services that provide a demonstrable benefit to our students must be protected in both the short and long term.
- Exceeding the tax cap and proposing an override vote carries a significant risk to the District's financial stability and should be avoided if possible.
- Financial management practices include the budgeting process, amount of surplus generated, management of reserves and the impact of the political environment on decision-making. Reserve management provides a buffer to the unpredictability of the economic factors that influence the budget.

Annual Updates

It is the responsibility of management and the Board to review and update this document annually. Reserves should be established prior to the end of the fiscal year when possible. Preliminary estimates of available fund balance should be analyzed by management and the Board so decisions on reserve funding or use can be made prior to June 30 or soon thereafter and prior to the completion of the current year external audit. Reserve discussions must be part of the annual budget process and refined as the fiscal year comes to an end.

Summary

Upon review of the District's financial condition, reserve balances, and strategy as documented in the following pages, key highlights of the reserve plan are as follow:

- At year-end the district reviews its closing financial position and also determines the final tax levy and tax rates for the upcoming school year. The Board of Education is allowed to retain as Unassigned Fund Balance an amount not to exceed 4% of the ensuing year's General Fund budget.
- Upon receiving the results of the annual external audit, the Assistant Superintendent for Finance and Operations presents a recommendation to the Board of Education regarding specific final reserve funding amounts effective June 30 of the current fiscal year end on or about August after the financial records have been closed and near the completion of the external audit.
- The Audit and Finance Committee meets to review the results of the external audit and the final fund balance reserve funding amounts effective June 30 of the fiscal year end.

- Year-End Funding (June 30, 2025): $19,293,577

  Transfers to Reserves:

  - $200,000 to Unemployment Reserve
  - $1,000,000 to Retirement Reserve
  - $222,636 to TRS Retirement Reserve
  - $4,000,000 to 2016 Bus Reserve
  - $5,788,661 to 2024 Capital Reserve
  - $8,082,280 to 2025 Capital Reserve

- Resulting Unassigned Fund Balance (June 30, 2025): $7,165,390

- Unassigned Fund Balance as % of 2025–26 Budget: 4% (within statutory limit)

- $1,400,000 in funding out used to support the purchase of buses from the 2016 Bus Reserve

- Note: The change in reserve balances including the funding in/out amounts as detailed and generated interest income ($2,338,907).

- Note: Any final audit adjustments will be made by modifying the transfer to the 2025 Capital Reserve.

Strategic Statement:
This reserve allocation strategy ensures fiscal stability by maintaining the district's Unassigned Fund Balance within the 4% statutory limit while strengthening multiple reserves to support long-term capital, transportation, and retirement needs. The plan positions the district to manage future obligations responsibly and sustain a stable tax environment.

The following chart details the General Fund Balance Sheet balances from the annual Basic Financial Statements that include the reserve balances as of June 30, 2024 and June 30, 2025:

Rush-Henrietta Central School District
General Fund - Summarized Balance Sheet
June 30, 2024 and June 30, 2025

	2024	2025	Change
Fund Balance and Reserves			
Workers' Compensation	$ 4,030,270	$ 4,167,573	$ 137,303
Unemployment Insurance	$ 600,206	$ 819,947	$ 219,741
Retirement Contribution Reserve	$ 13,418,138	$ 14,864,751	$ 1,446,613
TRS Retirement Contribution Reserve	$ 4,777,085	$ 5,158,023	$ 380,938
Insurance Reserve	$ 3,101,661	$ 3,207,328	$ 105,667
Tax Certiorari	$ 3,886,342	$ 4,018,742	$ 132,400
Employee Benefits Reserve (EBLAR)	$ 3,667,008	$ 3,791,935	$ 124,927
Capital Reserves	$ 41,122,977	$ 58,807,872	$17,684,895
Encumbrances	$ 4,752,820	$ 5,145,015	$ 392,195
Undesignted Fund Balance	$ 6,809,516	$ 7,165,390	$ 355,874
Total Reserves	$ 86,166,023	$107,146,576	$20,980,553

WORKERS' COMPENSATION RESERVE

Authority: The purpose of this reserve fund is to pay for compensation benefits and other expenses authorized by the Workers' Compensation Law, and for payment of expenses for administering this self-insurance program. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated (General Municipal Law, §6j).

Funds remaining at the end of each school year, in excess of all pending claims, may be transferred, within 60 days of the close of the school year, to other reserve funds or applied to budgetary appropriations for the new school year.

Balance June 30, 2023:	$3,949,622
Balance June 30, 2024:	$4,030,270
Balance June 30, 2025:	$4,167,573

Targeted Balance: This reserve should be adequate to stabilize the District's contribution to workers compensation, which can vary in cycles with claims experience. It should be funded in years of improved experience and used to moderate rates as expenses increase. Ideally the reserve would be able to fund three to four years' worth of an average year's payment.

Discussion: Rush-Henrietta Central School District is self-insured for workers compensation up to $100,000 per case. Claims can remain open for years so this reserve protects against both the cumulative effect of lagging claims and an abnormally large payout for a settled claim. Our estimated future liability for current outstanding claims averages around $900K per year which also accounts for adequate coverage for prior year claims still outstanding. The current reserve would cover these plus about four years of expenses. Additionally, recent NYS Workers Compensation law changes have increased employer costs significantly.

UNEMPLOYMENT INSURANCE RESERVE

Authority: This reserve fund is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants. The reserve may be established by board action and funded by budgetary appropriations or other funds as may be legally appropriated (General Municipal Law, §6-m).

Excess funds remaining at the end of any school year, may be transferred, within 60 days of the close of the school year, to other reserve funds or applied to budgetary appropriations for the new school year.

Balance June 30, 2023:	$ 518,593
Balance June 30, 2024:	$ 600,206
Balance June 30, 2025:	$ 819,947

Targeted Balance: Approximately 1.0% of payroll or $820,000. Most position reductions are accomplished through attrition rather than layoffs so the targeted amount is relatively low, but it will not suffice in the face of a severe recession.

Discussion: Since the general fund expense fluctuates annually, the unemployment reserve for the district will be used to offset the annual budgeted expenditure, including all or part of the annual actual expense. Accordingly, if the reserve is used to pay for 100% of general fund expenses, the balance as of June 30, 2025 would be sufficient to cover the benefits for 36 employees for 26 weeks each at the current maximum weekly benefit payout of $869.

Given the positive financial standing of the District at current time and the likelihood of future NYS aid cuts, District expenses for unemployment benefits seem to only be a moderate risk. Unfortunately, the general economic outlook is murky in terms of a potential recession and state aid cuts so having sufficient reserves to cover these potential costs is a prudent financial decision. However, the Board of Education has expressed an interest in, when possible, reducing staffing levels through attrition rather than layoffs.

RETIREMENT CONTRIBUTION RESERVE

Authority: The governing board of a school district, by resolution, may establish a reserve for the purpose of financing retirement contributions made to the NY State and Local Employees' Retirement System. Establishing or expending the reserve does not require voter approval. Expenditures may only be made pursuant to a board resolution and must be used to finance retirement contributions (General Municipal Law, §6-l).

Transfers to or from other reserves are allowed but require a public hearing with 15 days published notice in the official school newspaper.

Balance June 30, 2023:	$12,131,452
Balance June 30, 2024:	$13,418,138
Balance June 30, 2025:	$14,864,751

Targeted Balance: Between 30%-45% of budgeted non-instructional payroll of $25,118,656 based on the 25-26 final approved budget will result in between four to five years of funding ERS contributions.

Discussion: ERS contributions are a direct result of the District's non-instructional ERS eligible salaries multiplied by a percentage identified by ERS (dependent on the retirement plan tier of employees). The intended use of this reserve is to fund contributions in excess of budgeted amounts. In times of fiscal stress, the District could use up to 100% of annual cash contributions from this reserve. Accordingly, if the reserve is used to pay for 100% of general fund expenses, the balance as of June 30, 2025 would be sufficient to cover full employee's retirement system contributions for the year.

Although the District has direct control over the amount of non-instructional salaries subject to ERS contributions, it has no control over the ERS rates. These rates are set by ERS and are based on actuarial assumptions which are subject to change. The most notable impact on these rates are the annual investment return on plan assets. Generally, as investment returns are greater than expected the contribution rate will decline and as investment returns are less than expected the contribution rate will increase. ERS uses a five-year average of investment returns to smooth annual market fluctuations.

A majority of the District's non-instructional personnel are in ERS tiers 4 thru 6 with the largest group in tier 4. For 2025, tier 4 billed contribution rates were 17.9% of salaries with expected long term rates to rise to 19.3% in 2026 and 21.1% in 2027.

TRS RETIREMENT CONTRIBUTION RESERVE

Authority: This reserve fund is used to offset the cost of annual district payments made to the New York State Teachers' Retirement System (TRS). The reserve may be established by board action and funded by budgetary appropriations. This reserve is considered a sub fund of the ERS retirement reserve (General Municipal Law, §6-r). Appropriations from this reserve shall be included in the annual budget as a revenue source. Expenditures from this reserve do not require board action. Annual funding cannot exceed 2% of the prior year total teacher salary amounts. Cumulative funding in the TRS sub-fund cannot exceed 10% of teacher salaries in total. Establishing or expending the sub-reserve does not require voter approval. Expenditures may only be made pursuant to a board resolution and must be used to finance retirement contributions (General Municipal Law, §6-r).

Balance June 30, 2023:	$ 4,250,029
Balance June 30, 2024:	$ 4,777,085
Balance June 30, 2025:	$ 5,158,023

Targeted Balance: 10% of instructional payroll is the maximum allowed by law, which is approximately $5,600,000 based on the 2024-25 approved budget.

Discussion: The purpose of this reserve is to set aside available surplus to provide a source of funds to limit the property tax impact of increases driven by employer contribution rates for the Teacher Retirement System. Similar to the ERS contributions, TRS required contributions are based on District payroll multiplied by an established rate. In accordance with NYS law, the District can only contribute 2% of instructional payroll per year, up to a cumulative maximum reserve balance of 10% of instructional payroll. The district anticipates funding this reserve when retirement rates are below long-term averages and utilizing it when rates exceed long term averages.

INSURANCE RESERVE

Authority: This reserve fund is used to pay judgments, claims, incidental costs and professional services connected with the investigation and settlement of claims. The reserve is funded by budgetary appropriations or any other permissive referendum. Board resolutions are required to create the reserve or spend from the reserve. The amount that can be paid into the reserve during each fiscal year is limited to 5% of the annual budget. There is, however, no limit upon the amount which may be accumulated in the fund (General Municipal Law, §6-n).

The BOE can terminate this reserve and remaining funds in excess of incurred or accrued liabilities may be transferred to any other reserve fund authorized by GML or §Ed. Law 3651.

Balance June 30, 2023:	$ 3,033,723
Balance June 30, 2024:	$ 3,101,661
Balance June 30, 2025:	$ 3,207,328

Targeted Balance: Approximately 5% of the annual budget would provide protection against large deductibles and sharp premium increases.

Discussion: Due to the degree of insurance coverage the district subscribes to, there are few unique situations that would result in claims for the district to pay out of pocket. This reserve is not intended for use on an ongoing basis; rather, it protects the district in the case of a unique catastrophic event. Rush-Henrietta buildings are valued at over $350 million. This reserve would help fund these deductibles and it is an excellent tool to mitigate against sharp premium increases that occasionally happen in the insurance markets or to fund any judgments or liability settlements not covered by insurance such as significant cybersecurity incidents.

TAX CERTIORARI RESERVE

Authority: The governing board of any school district, by resolution, may establish a reserve to refund taxes of the current year in tax certiorari proceedings. Establishing or expending the reserve does not require voter approval. Amounts not necessary to refund taxes must be returned to the unreserved fund balance of the general fund by the first day of the fourth fiscal year following the year for which the reserve was created. (Education Law §3651, Sub.1a, 3a).

Money not expended for judgments and claims in the year deposited, must be returned to the General Fund on or before the 1st day of the 4th school year after such deposit of monies into the reserve unless the claim(s) are still open.

Balance June 30, 2023:	$3,801,216
Balance June 30, 2024:	$3,886,342
Balance June 30, 2025:	$4,018,742

Targeted Balance: Between 50% and 100% of open cases.

Discussion: Ideally this reserve should be adequate to cover between 50% and 100% of the outstanding tax certiorari cases. It is not unusual for a lawsuit to cover multiple years of assessment for large taxpayers so potential judgments may be significant. The current reserve level is 55% of the open cases totaling $7.0M in claimed reductions. Recently, the town reassessment of commercial properties drove a surge in open cases. Also, the pandemic effects on commercial real estate have resulted in a large number of Tax Certiorari cases being filed. The amounts of settlements can vary greatly from year to year so this reserve protects against large, unbudgeted settlements.

EMPLOYEE BENEFIT ACCRUED LIABILITY RESERVE

Authority: The governing board of any school district, by resolution, may establish a reserve for the purpose of funding the monetary value of accrued but unused sick leave, personal leave, vacation time, and any other forms of payment of accrued but unliquidated time earned by employees that may be due upon termination of the employee's service. Establishing or expending the reserve does not require voter approval. Expenditures may only be made for allowed cash payments earned by employees due upon their termination of employment (General Municipal Law, §6-p).

Upon termination by the BOE, balance not required to satisfy all incurred or accrued liabilities may be transferred to any other reserve fund(s) authorized in the General Municipal Law or §Ed. Law 3651.

Balance June 30, 2023:	$3,586,687
Balance June 30, 2024:	$3,667,008
Balance June 30, 2025:	$3,791,935

Targeted Balance: Amount necessary to equal the year end compensated absences calculation (according to State Comptroller).

Discussion: This reserve is for contractual earned benefits that will be paid directly upon an employee's retirement. It does not include postemployment health benefits, lump-sum stipends, or severance payments. The use of this reserve is intended for the cash payments directly to a former employee or an employee's account such as a 403b retirement account and must be from earned benefits such as accumulated sick or vacation time. As of June 30, 2025, the district's estimated compensated absences liability is approximately $3,700,00 ,therefore, the current reserve balance covers the estimated liability.

REPAIR RESERVE

Authority: The Repair Reserve Fund is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. Voter approval is required to fund this reserve. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years (General Municipal Law, §6-d).

Unneeded balance may be transferred to Capital, Tax Certiorari or Retirement Contribution Reserves.

Balance June 30, 2023: $0
Balance June 30, 2024: $0

Targeted Balance: Projected costs of future repairs on non-instructional buildings.

Discussion: Rush-Henrietta Central School District has not maintained this reserve because no state aid is paid for expenditures from this reserve. Since school renovations tend to generate building aid it is more advantageous to fund from capital reserves. However, projects at the West Henrietta Education Building, Good Shepherd site and the Parker Administration do not qualify for state aid so at a future date the board may want to consider funding this reserve.

CAPITAL RESERVES

Authority: The Capital Reserve Fund is used to pay the cost of any object or purpose for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and for payments from the reserve. The form of the required legal notice for the vote on establishing the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law.

Funds may be transferred to other reserves only with voter approval. Voter approval is required to terminate the reserve prior to its specified expiration date. Remaining funds must first be applied to the district's outstanding bonded indebtedness and secondarily to reduce the tax levy.

Balance June 30, 2023:	$16,424,748
Balance June 30, 2024:	$36,264,686
Balance June 30, 2025:	$51,172,957

Targeted Balance: May not exceed the voter authorized limits, plus accumulated interest earnings. The District is planning for a future capital project and this will reduce the local share tax liability. The scope of the future project would determine the ideal balance to develop a tax neutral project.

Discussion: These reserves were created to provide a mechanism to fund future capital projects to keep the local share in line with the current level of debt service. In a tax cap era it is important to have a method of financing that can help support tax neutral capital projects. Funding the local share of capital projects in this fashion offers the district a couple of advantages:

- Minimizes the future financial impact on the budget, tax levy, and the community
- Allows the district to avoid the interest charges associated with borrowing

BUS RESERVE

Authority: The Bus Reserve Fund is a capital reserve specified to be used to pay for bus purchases. Voter authorization is required for both the establishment of the reserve and payments from the reserve. The form of the required legal notice for the vote on establishing the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law.

Funds may be transferred to other reserves only with voter approval. Voter approval is required to terminate the reserve prior to its specified expiration date. Remaining funds must first be applied to the district's outstanding bonded indebtedness and secondarily to reduce the tax levy.

Balance June 30, 2023:	$5,827,782
Balance June 30, 2024:	$4,858,291
Balance June 30, 2025:	$7,634,915

Targeted Balance: Funding from this reserve is used to stabilize the general fund amount budgeted each year for bus purchases. This reserve is more critical with the recent state law requiring all bus purchases be electric commencing in 2027, since electric buses cost more than double what our current buses cost.

Discussion: Currently, the district's bus purchase plan replaces large buses when they reach approximately 100,000 miles and ten years of age. Beyond this, bus maintenance costs begin to increase sharply as equipment ages. This plan serves to keep our fleet current, while stabilizing the tax rate as the number of buses replaced is consistent. Bus purchase costs have increased significantly over the last few years as a result of pandemic driven inflation and commencing in 2027 all bus purchases must be electric. A combination of budget and reserve funding ensures the total cost is not too onerous to district taxpayers.

DEBT SERVICE RESERVE FUND

Authority: The Mandatory Reserve for Debt Service Fund is used to hold the proceeds of a bond issuance in excess of the capital expenditures funded by the bonds. A Board of Education resolution is required for the establishment of the reserve and payments can only be made for debt service or retirement of outstanding bond obligations. The legal basis of this reserve is set forth in §6-1 of General Municipal Law.

Balance June 30, 2023:	$371,623
Balance June 30, 2024:	$429,885
Balance June 30, 2025:	$500,992

Targeted Balance: Any bond proceeds not fully expended for its targeted capital expenditure must be placed in this reserve. Expenditures may only be made to pay interest and principal for these bonds or to reduce the amount of outstanding bonds.

Discussion: The Rush-Henrietta Central School District issued bonds to fund the Burger / Roth Middle School renovations and the construction of the TOC. Remaining balances, consisting mainly of interest earnings, can be used to defray future debt payments.

PROPERTY LOSS RESERVE AND LIABILITY RESERVE

Authority: This reserve fund is used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required and these annual contributions may not in total exceed 3% of the annual budget or $15,000 whichever is greater. (Education Law, §1709, Subdivision 8-c).

Funds in this reserve cannot be used for any other purpose unless voter approval is given.

Balance June 30, 2023: $0
Balance June 30, 2024: $0
Balance June 30, 2025: $0

Targeted Balance: 3% of the annual budget.

Discussion: This reserve is not intended for use on an ongoing basis; rather, it protects the District in the case of a catastrophic event. Rush-Henrietta carries $25 million of liability insurance but would be responsible for any judgments in excess of this amount. Currently this reserve is not utilized but funding may be considered in the future.

RESERVE FOR ENCUMBRANCES

Authority: Governmental Accounting Standards Board (GASB) requires the district to recognize purchase commitments that will be expended in a future period. The Reserve for Encumbrances is the amount of purchase commitments made at year-end where the goods won't be received until the following fiscal year.

Balance June 30, 2023:	$4,747,799
Balance June 30, 2024:	$4,752,820
Balance June 30, 2025:	$5,145,015

Targeted Balance: This reserve must equal the value of outstanding purchase obligations at fiscal year-end, to be satisfied.

Discussion: This required reserve recognizes that purchase commitments were made from a current budget but the goods will not be received until a future period. This ensures that funds used to pay for purchases are aligned with their intended funding sources (budget year or identified capital project). The reserve sets aside the funds for these commitments. Under GASB54 there is no longer a reserve for encumbrances but rather these commitments are identified in "Assigned" fund balance.

In addition to reserves the district also has an Assigned Appropriated and Unassigned fund balance. These fund balances are used for the following purposes:

ASSIGNED APPROPRIATED FUND BALANCE

Purpose: Planned reduction in fund balance to reduce the property tax levy necessary to support the current budget.

Balance June 30, 2023: $ - 0 -
Balance June 30, 2024: $ - 0 -
Balance June 30, 2025: $ - 0 -

Targeted Balance: An appropriation of fund balance represents a non-recurring revenue source that should not be used to support ongoing expenditures. Overuse may deplete available fund balance, leading to future tax rate increases or reductions in programs and services. The district could consider maintaining an appropriate level of appropriated fund balance to provide fiscal stability, serve as a safeguard against unforeseen costs not covered by other reserves, and ensure adequate cash flow equivalent to approximately 30 days of operations to support unassigned fund expenditures as cash receipts can be volatile in difficult economic times and points in the fiscal year. Finally, given the continued constraints of the Property Tax Cap, use of appropriated fund balance should be applied conservatively if utilized as a strategy to preserve long-term financial stability.

UNASSIGNED FUND BALANCE

Purpose: Used to fund expenditures from July through September of the ensuing year prior to the inflow of property tax receipts. Also provides a source of funds for unanticipated increases in expenditures, decreases in revenue and interruptions in cash flow. These funds provide a margin of safety to fund unanticipated contingent expenditures that may occur unexpectedly.

Balance June 30, 2023: $6,471,168
Balance June 30, 2024: $6,809,516
Balance June 30, 2025: $7,165,390

Targeted Balance: By law, the unassigned fund balance is limited to 4% of the ensuing year's budget. This is generally considered to be the ideal balance.

2023-2024 approved budget: $161,779,198
2024-2025 approved budget: $170,237,893
2025-2026 approved budget: $179,134,741