

**FUND BALANCE MANAGEMENT PLAN**  
September 9, 2024



**Central Square Central School District**

# WHAT IS FUND BALANCE?

## ❖ Balance Sheet –

- Assets – Liabilities = Fund Balance

## Includes –

- Restricted (Reserve) Funds
- Nonspendable
- Committed
- Assigned
- Unassigned



# WHY IS FUND BALANCE SO IMPORTANT?

- ❖ Provides a cushion for unforeseen expenditures or revenue shortfalls.
- ❖ Helps to ensure adequate cash flow.
- ❖ Assists in the computation of school district's tax levy.
- ❖ Reduces borrowing and interest costs.
- ❖ Improves credit rating.
- ❖ Funds unbudgeted contingent expenses.
- ❖ Funds state aid shortfalls.



# HOW MUCH FUND BALANCE?

- ❖ Government Finance Officer's Association (GFOA) recommends, at a minimum, unassigned fund balance should be no less than two months expenses or operating revenues of expenditures. (~15%)
- ❖ 2023-24 Actual Expenses  $\$90,900,000/12 = \$7,575,000 \times 2 = \$15.5$  million.
- ❖ School District's unassigned fund balance limited to 4% of next year's budget.
- ❖ 4% of  $\$98,563,083 = \$3.9$  million
- ❖ NYSSBA, NYSCOSS, NYSASBO all continuously advocate for the limit to be increased.



# Fund Balance Management Planning is to...

Help maximize the use of surplus funds over the long term and to preserve educational programs and goals in the short term.

- ✓ Unassigned Fund Balance (operating capital)
  - Maximum is 4% of following year's budget (operating cash flow)
- ✓ Committed (Appropriated) Fund Balance
  - Source of revenue applied toward following year's budget
- ✓ Transfer to Restricted Funds
  - Long Range Planning

# Restricted (Reserve) Funds Authorized for School Districts under the Education Law

**Capital Reserve  
Fund**

**Liability Reserve  
Fund**

**Property Loss  
Fund**



**Tax Certiorari  
Reserve Fund**

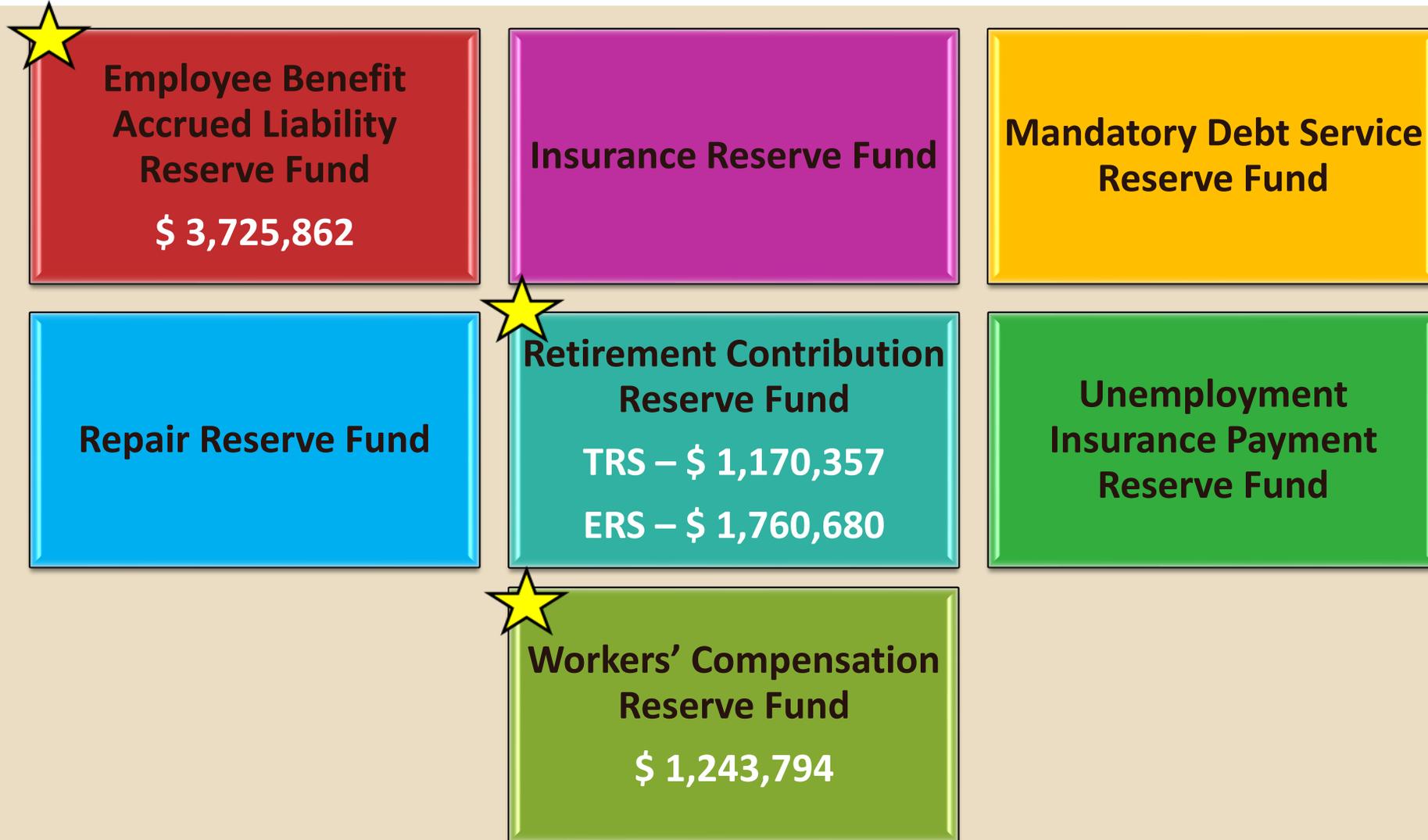
**\$ 85,488**

**Tax Reduction  
Reserve Fund**

**Uncollected Taxes  
Reserve Fund**

**Career Education  
Instructional  
Equipment  
Reserve Fund**

# Restricted (Reserve) Funds Authorized for School Districts under the General Municipal Law



# Fund Balance –Analysis

*\* Estimate for 2024*

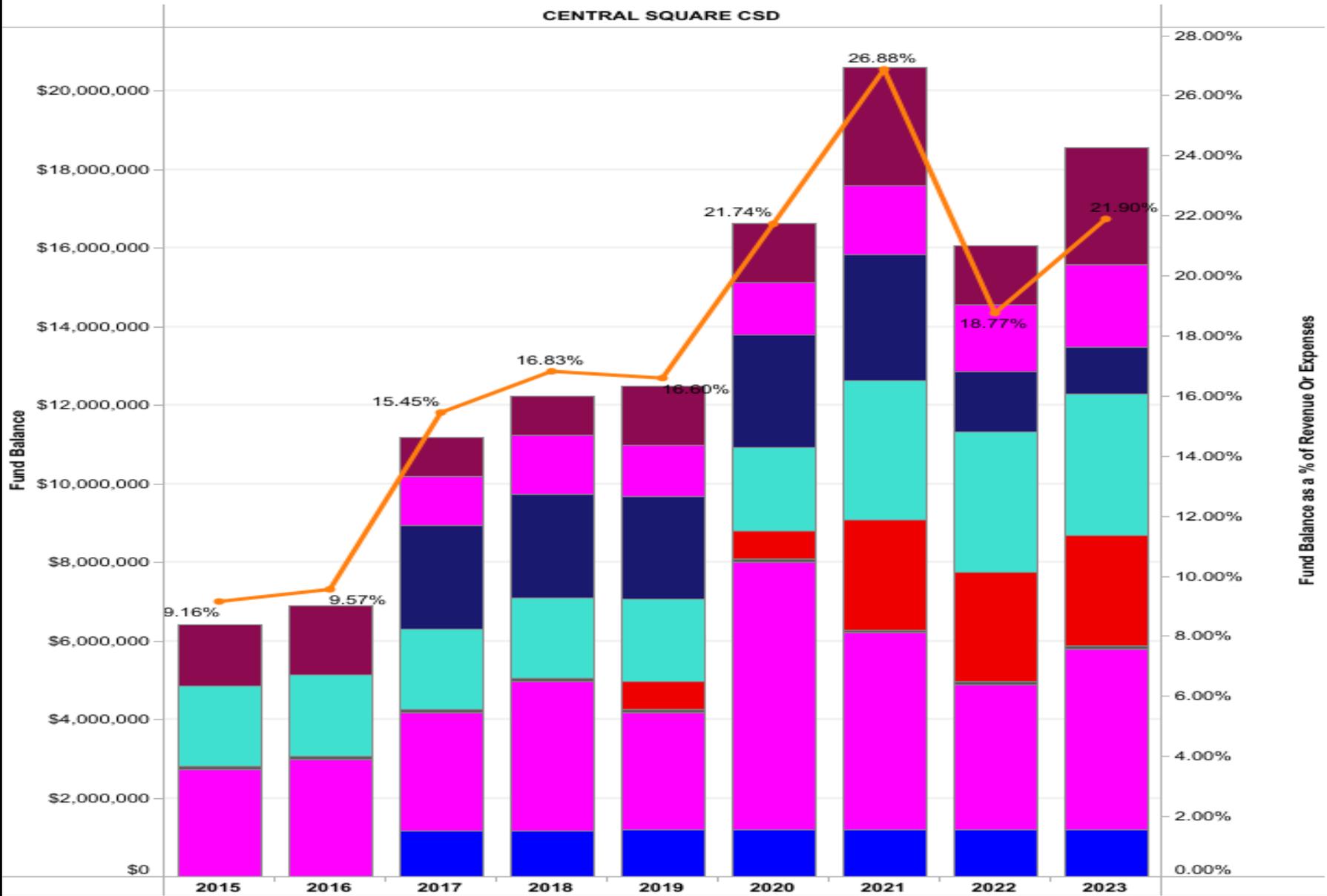
<b>RESTRICTED</b>	<b>6/2020</b>	<b>6/2021</b>	<b>6/2022</b>	<b>6/2023</b>	<b>*6/2024</b>
Workers' Compensation Fund	\$ 1,186,369	\$ 1,186,486	\$ 1,186,681	\$ 1,198,140	\$1,243,794
Service and Termination (EBLAR)	2,104,223	3,554,430	3,554,777	3,589,104	3,725,862
Tax Certiorari	81,541	81,549	81,562	82,350	85,488
ERS	179,833	1,679,833	1,679,833	1,696,054	1,760,680
TRS	547,379	1,116,496	1,116,617	1,127,399	1,170,357
<b>TOTAL RESTRICTED</b>	<b>\$ 4,099,345</b>	<b>\$ 7,618,794</b>	<b>\$ 7,619,470</b>	<b>\$ 7,693,047</b>	<b>\$7,986,181</b>
<b>ASSIGNED</b>					
Encumbrances	\$ 1,352,937	\$ 1,746,320	\$ 1,712,866	\$ 2,082,614	\$1,456,329
Appropriated	1,500,000	3,000,000	1,500,000	3,000,000	3,000,000
<b>UNASSIGNED</b>	6,813,102	5,014,819	3,416,835	4,579,961	5,248,682
<b>NONSPENDABLE</b>	2,870,159	3,209,985	1,849,885	1,207,649	967,960
<b>TOTAL FUND BALANCE</b>	<b>\$ 16,635,542</b>	<b>\$ 20,589,918</b>	<b>\$ 16,099,056</b>	<b>\$ 18,563,271</b>	<b>\$18,659,152</b>

# Fund Balance –Analysis

*\* Estimate for 2024*

	6/2020	6/2021	6/2022	6/2023	6/2024*
<b>TOTAL FUND BALANCE</b>	<b>\$ 16,635,542</b>	<b>\$ 20,589,918</b>	<b>\$ 16,099,056</b>	<b>\$ 18,563,271</b>	<b>\$18,659,152</b>
<b>Unassigned Fund Balance</b>	6,813,102	5,014,819	3,416,835	4,579,961	5,248,682
<b>Next Year's Budget</b>	81,325,857	85,963,942	88,546,056	93,045,211	98,563,083
<b>4% Limit</b>	8.37%	5.83%	3.85%	4.92%	5.32%

**Fund Balance by Fund and Percentage**  
 Shown as a % of Expense  
 District(s) - CENTRAL SQUARE CSD  
 % of Revenues or Expenses reflects selected funds only  
 Source: NYSED ST-3 Form



**Detail by:**

- Assigned Appropriated Fund Balance
- Assigned Unappropriated Fund Balance
- Committed Fund Balance
- Not in Spendable Form
- Reserve for Employee Benefits and Accrued Liabilities
- Reserve for Retirement Contributions
- Reserve for Tax Certiorari
- Unassigned Fund Balance
- Workers Compensation Reserve
- % of Revenue Or Expenses



Detail by:  
 A General  
 % of Revenue Or Expenses

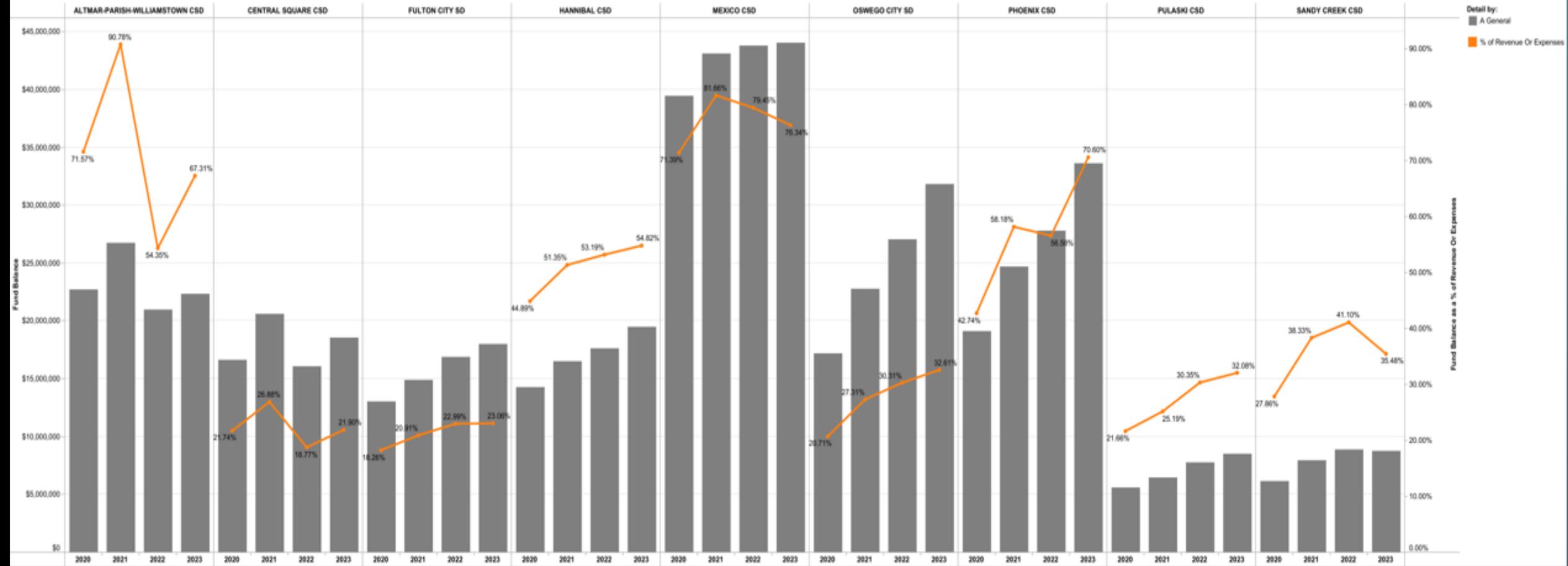
### Fund Balance by Fund and Percentage

Shown as a % of Expense

District(s) - All

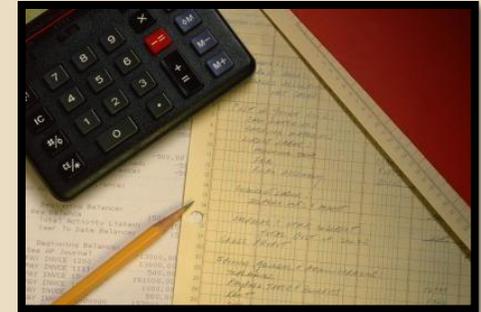
% of Revenues or Expenses reflects selected funds only

Source: NYSED S7-3 Form



# WHAT HAVE WE USED FUND BALANCE ON?

- ❖ No Tax Levy increase for 2021-2022 & 2022-2023
- ❖ Limited tax increase for 2023-2024 & 2024-2025
- ❖ Providing unaided portion of 2022 \$25 million capital project
- ❖ Funds Appropriated Fund Balance
- ❖ Increase in Reserves



## What will we use our Fund Balance on in the future?

- ❖ Revenue shortfalls due to Foundation Aid recalculations.
- ❖ Unforeseen expenditures as the needs of students and staff evolve.