

LAKE GEORGE CENTRAL SCHOOL DISTRICT RESTRICTED FUND BALANCE (RESERVED FUNDS) PLAN

As stated in the Reserve Funds Policy #5511, the Board of Education recognizes that reserved funds are an important component in the District's financial planning for future projects, acquisitions and other lawful purposes. Accordingly, a plan has been developed for the following reserves that the District currently has in place. These Reserve Funds are accounted for in the General Fund of the District and funded appropriately as cited under either the GML or Ed. Law that authorizes the reserve.

It is the intent of the Board of Education that these funds be maintained and funded appropriately. In order to ensure this funding, excess fund balance amounts at June 30 will be apportioned to various reserve funds as determined by district administration. To effectuate this, the Board of Education will pass a resolution authorizing the transfer of excess fund balance to restricted fund balance. From time to time the district may also include a transfer to reserve appropriation in an annual budget, as allowed by law and approved by district residents. Administration will report annually on the uses and balances of these funds to the Audit and Finance Committee of the Board of Education.

Following is a status report on the current reserve funds of the Lake George Central School District

Repair Reserve – was established on April 23, 1998 by Board of Education resolution in accordance with GML §6-d to pay the cost of repairs (that do not recur annually) to capital improvements and equipment. The voters of the Lake George CSD approved funding the Repair Reserve with \$250,000 on May 19, 1998.

Funding Source: Voter approved appropriation

Goal: Funding includes original transfers in the amount of \$250,000 and accumulation of interest earnings. The reserve will be utilized to fund repairs of district assets that do not recur annually or in short intervals, and are unanticipated.

Balance as of July 1, 2021: \$323,759

Planned uses during 2021/2022 – no initial appropriation of this reserve.

Actual uses during 2021/2021 – no use

Funding at June 30 – Interest earnings of \$527

Balance as of June 30, 2022: \$324,286

Adequacy – The reserve is fully funded based on voter approval. The only additional funds allowed are interest earnings on the cash balance.

Unemployment Reserve – was established by the Board of Education in accordance with GML §6-m. The reserve was established to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants that are chargeable to the district.

Funding Sources: Excess fund balance or budgeted appropriations.

Goal: All unemployment payments will be funded by the reserve, and reserve funds will be replenished as needed. Reserve levels should minimally fund unemployment costs for 3 years for between .5 and 1.5% of the workforce collecting maximum benefits in a continuous collection for 3 years (based on past experience). \$504/week (NYS Maximum benefit) for 26 weeks.

Balance as of July 1, 2021: \$82,796

Planned uses during 2021/2022 – Appropriated reserves equal to appropriation in unemployment insurance expense account.

Actual uses during 2021/2022 - \$0 in benefits reimbursement.

Funding at June 30 – Interest earnings of \$135

Transfer to Fund Balance – \$72,000

Balance as of June 30, 2022: \$10,931

Adequacy – Based on the funding goal above as well as historical costs, the reserve is adequately funded.

Employee Benefit Accrued Liability Reserve – was established on February 10, 1998, by BOE resolution in accordance with GML §6-p. To be used for the purpose of cash payments of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, and any other form of payment for accrued unliquidated time earned.

Funding Sources: Excess fund balance or budgeted appropriations.

Goal: Payments will be made from this reserve and replenished through excess fund balance allocations.

Balance as of July 1, 2020: \$880,181

Compensated Absences Liability as of July 1, 2021: \$883,092

updated August 2022

Planned uses during 2021/2022– Funds have been appropriated to cover estimated expenditures for compensated absence payments.

Actual uses during 2021/2022 – Payments to employees upon end of employment in the amount of \$215,268

Funding at June 30 – Interest earnings of \$1742

Transfer to Fund Balance – \$546,408

Balance as of June 30, 2022: \$119,937

Liability as of June 30, 2022: \$814,297

Adequacy –This is a clearly defined liability. In the event that the district does not have excess funds to transfer into this reserve, there are funds available to cover the liability during times of economic stress. The reserve is adequately funded.

Employee Retirement Contribution Reserve – established on April 13, 2010 by Board of Education Resolution in accordance with GML §6-r, to be used for the payment of retirement contributions payable to the NYS & Local Employees Retirement System.

Funding Sources: Excess fund balance or budgeted appropriations.

Goal: Funding of employer retirement contributions for 2 to 5 years. Funds to be replenished through excess fund balance allocations. Average contributions - \$300,000/year (5 years).

Balance as of July 1, 2021: \$903,103

Planned uses during 2021/2022 – Funds have been appropriated to cover ERS expenditures as needed, up to the full amount.

Actual uses during 2021/2022 - \$50,000 appropriated to offset NYSLRS retirement contributions.

Funding at June 30 - \$1470 in interest earnings

Transfer to Fund Balance – \$754,000

Balance as of June 30, 2022: \$100,572

Adequacy – The Reserve Fund will be considered adequately funded once it is funded at the maximum amount allowable by law.

updated August 2022

Retirement Contribution Reserve Sub-Fund – established on May 14, 2019, by Board of Education Resolution in accordance with GML §6-r, to be used for the payment of retirement contributions payable to the New York Teachers Retirement System.

Funding Sources: Excess fund balance or budgeted appropriations. Annual funding cannot exceed 2% of the total compensation or salaries of all teachers employed by the District who are members of TRS paid during the immediately preceding fiscal year.

Goal: Annual funding up to 2% of total teacher compensation for the preceding year. The total amount of the Reserve Sub-Fund shall not exceed 10% of the total compensation or salaries of all teachers employed by the District who are members of TRS paid during the immediately preceding fiscal year.

Balance as of July 1, 2021: \$480,511

Planned uses during 2021/2022 - N/A

Actual uses during 2021/2022 - \$50,000 appropriated to offset NYSTRS retirement contributions.

Funding at June 30 - \$782 in interest earnings

Transfer to Fund Balance – \$331,000

Balance as of June 30, 2022: \$100,293

Adequacy – The Reserve Sub-Fund will be considered adequately funded once it is funded at the maximum amount allowable by law.

Tax Certiorari Reserve - was initially established on February 10, 1998, and re-established every 4th year, the most recent being October 9, 2018, in accordance with NYS Education Law Section 3651(1a) for the payment of judgments and claims in tax certiorari proceedings.

Funding Sources: Excess fund balance or budgeted appropriations.

Goal: Provide funding source for payment of judgments against the district that will not harm the educational program or district financial health.

Balance as of July 1, 2021: \$189,664

updated August 2022

Planned Uses – This reserve is utilized to pay settlements and court decisions regarding tax certiorari cases. These cases generally take several years to conclude, and all refunds are paid directly from the reserve.

Actual uses during 2021/2022 – \$0 in tax refunds

Funding at June 30 - \$308 in interest earnings

Transfer to Fund Balance – \$39,000

Balance as of June 30, 2022: \$150,972

Potential Liability as of June 30, 2022: \$118,000.

Adequacy. Based on current liability levels, the reserve is adequately funded.

Insurance (Disability) Reserve - was established by the Board of Education in accordance with GML Section 6-n, for the payment of claims arising from Article XVII of the Professional Agreement between LGCS D BOE and LGEA.

Funding Sources: Excess fund balance or budgeted appropriations.

Goal: Provide 100% of funding for LGEA teacher's long-term disability coverage. Payment equals \$400/month for 12 months, once a teacher has been unable to work and is not receiving sick leave pay. (Refer to agreement between LGCS D & LGEA).

Balance as of July 1, 2021: \$28,441

Planned uses during 2021/2022 – As needed for teacher disability.

Actual uses during 2021/2022 – None

Funding at June 30 - \$46 in interest earnings

Transfer to Fund Balance – \$25,000

Balance as of June 30, 2022: \$3,488

Adequacy – Current funding level adequate based on historical data. The reserve is adequately funded.

updated August 2022

Insurance (Student Device) Reserve - Established by Board of Education resolution on April 9, 2019, in accordance with GML Section 6-n, for the payment of costs arising from repairs to student devices not covered under warranty.

Funding Sources: Excess fund balance or budgeted appropriations.

Goal: Provide 100% of funding for cost to repair student device damage not covered by warranty. In accordance with AUP for Students, parents/guardians will be responsible for up to the first \$100 (deductible) of cost for repairs, uncollectable deductibles will be covered by the reserve. Funding goals - 3 years of estimated claims. Claim estimates based on 3 years history at \$14,500 per year. Full funding at \$43,500.

Balance as of July 1, 2021: \$45,685

Planned use during 2021/2022 – None

Actual use during 2021/2022 – \$647

Funding at June 30 - \$74

Transfer to Fund Balance – \$20,000

Balance as of June 30, 2022: \$25,113

Workers' Compensation Reserve – was established by Board of Education resolution on June 14, 2017, for payment of workers' compensation related costs. Funding goals for the reserve are to provide budgeting stability to account for swings in workers' compensation fees related to changing ERM (experience rate module). ERM changes are based on claims, which are included in the calculation for 3 years, and can fluctuate greatly from year to year. In addition, our consortium applies a discount to the rates charged. Loss of the discount or increases in the ERM figures could substantially increase costs from year to year.

Funding Source: Excess fund balance or budgeted appropriations.

Goal: Funding on increase in workers' compensation premium due to a loss of discount or modified ERM for a period of 3 years.

Balance as of July 1, 2021: \$105,186

Planned uses during 2021/2022 – \$30,000

Actual uses during 2021/2022 – None

updated August 2022

Funding at June 30 - \$171 in interest earnings

Transfer to Fund Balance – \$85,000

Balance as of June 30, 2022: \$20,357

Capital Reserve – was approved by District voters on May 17, 2017. The reserve maximum funding level is capped at \$2,500,000 for a maximum term of 10 years. The reserve will be used to help pay for capital projects. The reserve is voter approved to fund, and voters must also approve the use of capital reserve funds in a capital project.

Funding source – Excess fund balance or budgeted appropriations.

Goal: The maximum funding level was established based upon projected facility needs developed through a building condition survey report. This report is prepared by a professional architect firm using industry standards, is reviewed and updated annually and completely redone every 5 years. Projections based on the most recent survey completed in 2015 total \$10.1 million in future needs. Needs are prioritized and included in future building projects based on assigned priority level and funding capacity for each project. Capacity and schedules for future projects are determined utilizing LGCS D debt service information to maximize funding while minimizing impact on taxpayers.

Funding as of July 1, 2021: \$894,718

Voter approved uses during 2021/2022 – \$0

Funding at June 30 - \$1,456 in interest earnings

Balance as of June 30, 2022 - \$896,174

Adequacy – Reserve is funded at maximum capacity levels

Capital Reserve II – was approved by District voters on May 17, 2022. The reserve maximum funding level is capped at \$10,000,000 for a maximum term of 10 years. The reserve will be used to help pay for capital projects. The reserve is voter approved to fund, and voters must also approve the use of capital reserve funds in a capital project.

Funding source – Excess fund balance or budgeted appropriations.

Goal: The maximum funding level was established based upon projected facility needs developed through a building condition survey report. This report is prepared by a professional architect firm using industry standards, is reviewed and updated annually and completely redone every 5 years. Projections based on the most recent survey completed in 2020 total

updated August 2022

\$19.8 million in future needs. Needs are prioritized and included in future building projects based on assigned priority level and funding capacity for each project. Capacity and schedules for future projects are determined utilizing LGCSO debt service information to maximize funding while minimizing impact on taxpayers.

Funding as of July 1, 2021: \$0

Voter approved uses during 2021/2022 – \$0

Funding at June 30 - \$3,103,827

Balance as of June 30, 2022 - \$3,103,827

Adequacy – Reserve is funded at maximum capacity levels

updated August 2022

Lake George Central School

Reserve Account History

	Balance 6/30/18	Balance 6/30/19	Balance 6/30/20	Balance 6/30/21	Balance 6/30/22
867 Employee Benefit Reserve					
Beginning Balance	\$916,096	\$845,191	\$758,359	\$683,448	\$880,181
Plus: Interest Earned	\$10,074	\$18,989	\$10,951	\$201	\$1,432
Funded amount/Transfer	\$0	\$0	\$50,000	\$495,000	(\$546,408)
Less: Expenditure	(\$80,979)	(\$105,821)	(\$135,863)	(\$298,468)	(\$215,268)
Ending Balance	\$845,191	\$758,359	\$683,448	\$880,181	\$119,937
864 Tax Certiorari Reserve					
Beginning Balance	\$325,000	\$139,201	\$140,937	\$189,613	\$189,664
Plus: Interest Earned	\$3,574	\$3,414	\$1,997	\$51	\$308
Funded amount	(\$150,000)	\$909	\$100,000		\$0
Less: Expenditure	(\$39,373)	(\$2,587)	(\$53,321)		(\$39,000)
Ending Balance	\$139,201	\$140,937	\$189,613	\$189,664	\$150,972
863 Disability Reserve					
Beginning Balance	\$19,151	\$19,362	\$19,794	\$20,074	\$28,441
Plus: Interest Earned	\$211	\$432	\$280	\$6	\$46
Funded amount				\$8,361	(\$25,000)
Less: Expenditure					\$0
Ending Balance	\$19,362	\$19,794	\$20,074	\$28,441	\$3,488
827 Employee Retirement Contribution Reserve					
Beginning Balance	\$750,000	\$658,248	\$573,097	\$681,416	\$903,103
Plus: Interest Earned	\$8,248	\$14,849	\$8,319	\$187	\$1,470
Funded amount	\$0	\$0	\$150,000	\$271,500	(\$754,000)
Less: Expenditure	(\$100,000)	(\$100,000)	(\$50,000)	(\$50,000)	(\$50,000)
Ending Balance	\$658,248	\$573,097	\$681,416	\$903,103	\$100,572
828 Teachers' Retirement Contribution Reserve					
Beginning Balance		\$0	\$160,500	\$332,429	\$480,511
Plus: Interest Earned		\$0	\$1,929	\$82	\$782
Funded amount		\$160,500	\$170,000	\$173,000	(\$331,000)
Less: Expenditure		\$0	\$0	(\$25,000)	(\$50,000)
Ending Balance		\$160,500	\$332,429	\$480,511	\$100,293
882 Repair Reserve					
Beginning Balance	\$308,791	\$312,187	\$319,152	\$323,666	\$323,759
Plus: Interest Earned	\$3,396	\$6,965	\$4,514	\$92	\$527
Funded amount		\$0	\$0		\$0
Less: Expenditure		\$0	\$0		\$0
Ending Balance	\$312,187	\$319,152	\$323,666	\$323,759	\$324,286
815 Unemployment Reserve					
Beginning Balance	\$129,344	\$80,766	\$82,649	\$82,773	\$82,796
Plus: Interest Earned	\$1,422	\$1,883	\$1,169	\$24	\$135
Funded amount	(\$50,000)	\$0			(\$72,000)
Less: Expenditure			(\$1,046)		\$0
Ending Balance	\$80,766	\$82,649	\$82,773	\$82,796	\$10,931
878 Capital Reserve					
Beginning Balance	\$1,109,062	\$1,655,503	\$367,504	\$708,541	\$894,718
Plus: Interest Earned	\$12,196	\$32,001	\$4,486	\$177	\$1,456
Funded amount	\$534,245	\$335,000	\$336,551	\$186,000	\$0
Less: Expenditure		(\$1,655,000)	\$0		\$0
Ending Balance	\$1,655,503	\$367,504	\$708,541	\$894,718	\$896,174
878.0: Capital Reserve II					
Beginning Balance					\$0
Plus: Interest Earned					\$0
Funded amount					\$3,103,827
Less: Expenditure					\$0
Ending Balance					\$3,103,827
814 Workers Comp Ins					
Beginning Balance	\$100,323	\$101,426	\$103,689	\$105,156	\$105,186
Plus: Interest Earned	\$1,103	\$2,263	\$1,467	\$30	\$171
Funded amount					(\$85,000)
Less: Expenditure					\$0
Ending Balance	\$101,426	\$103,689	\$105,156	\$105,186	\$20,357
861 Reserve for Student Device					
Beginning Balance	\$0	\$0	\$43,500	\$44,023	\$45,685
Plus: Interest Earned			\$523	\$13	\$74
Funded amount		\$43,500		\$1,650	(\$20,000)
Less: Expenditure					(\$647)
Ending Balance	\$0	\$43,500	\$44,023	\$45,685	\$25,113
Total Reserves	\$3,811,884	\$2,569,183	\$3,171,138	\$3,934,045	\$4,855,950

