

COPIAGUE PUBLIC SCHOOLS

BUDGET WORK SESSION

Fund Balance Management

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FUND BALANCE MANAGEMENT

What is fund balance? *The district's savings account*

Two components of fund balance:

I. **RESTRICTED** for particular purpose

	Actual July 2012 <u>Balances</u>	Forecast July 2013 <u>Balances</u>	Forecast July 2014 <u>Balances</u>	Forecast July 2015 <u>Balances</u>
Reserves for "rainy days":				
• Retirement System (ERS contribution only)	1,989,000	1,189,911	390,000	90,000
• Building Repairs	94,000	93,581	94,000	0
• Insurance: property casualty/liability loss (closed 6/2012)	0	0	0	0
• Workers' Compensation Claims: - district is self funded	554,000	353,866	154,000	4,000
• Unemployment Claims	200,000	100,760	0	0
• EBLAR Liability - Future Retiree Expense (Employee benefit accrued liability reserve)	<u>3,796,045</u>	<u>3,700,045</u>	<u>3,625,000</u>	<u>3,550,000</u>
TOTAL <u>RESTRICTED</u> FUND BALANCE	6,633,045	5,438,163	4,263,000	3,644,000

FUND BALANCE MANAGEMENT

	Actual	Forecast	Forecast	Forecast
	July 2012	July 2013	July 2014	July 2015
	<u>Balances</u>	<u>Balances</u>	<u>Balances</u>	<u>Balances</u>
II. UNRESERVED or				
Unrestricted to allow for as needed or emergency use				
- Use to supplement revenue budget				
<i>(Reduce tax rate increase due to loss of other revenue – i.e: state aid, etc)</i>				
Total UNRESERVED fund balance	8,044,110	6,000,000	5,000,000	1,831,691
- Tighter budgets unable to replenish FB !!				
Total RESTRICTED fund balance	6,633,045	5,438,163	4,263,000	3,644,000
- Six accounts mentioned previously				
- Use up restricted funds to supplement loss in Unreserved FB !!				
TOTAL FUND BALANCE PROJECTION	14,677,155	11,438,163	9,263,000	5,475,691

FUND BALANCE MANAGEMENT

ANALYSIS OF UN-RESTRICTED FB

School Year	Beginning Balance	Expense Less Than Budget	More Revenue than Budget	Transfer In Other Accounts (restricted FB)	Year End Available	Appropriated to Revenue	Transfer Out Other Accounts (restricted FB)	Ending Balance June 30th
	July 1 st	Add	Add	Add	Equals	Minus	Minus	Equals
2008-2009	3,926,928	1,589,047	(715,069)	1,657,305	6,571,390	(2,625,000)	0	3,871,881
2009-2010	3,871,881	7,099,744	1,734,427	0	12,780,561	(4,307,000)	(902,247)	7,362,640
2010-2011	7,362,640	4,555,226	(576,185)	0	11,550,355	(5,170,501)	(1,536,510)	4,655,078
2011-2012	4,655,078	2,254,120	285,415	1,450,000	8,832,879	(3,912,419)	(315,000)	4,131,691
2012-2013	4,131,691	Estimates 1,500,000	150,000	1,100,000	7,031,691	Estimates (3,000,000)	0	3,881,691
2013-2014	3,881,691	1,000,000	100,000	1,100,000	6,231,691	(2,500,000)	0	3,581,691
2014-2015	3,581,691	1,000,000	100,000	450,000	4,481,691	(2,500,000)	0	1,831,691
2015-2016	1,831,691	1,000,000	100,000	0	2,731,691	(2,500,000)	0	81,691

What does a tight Budget mean?

- Surplus created from under expense and revenues that exceed budget are shrinking !
- Reserved Fund Balance Accounts are being rapidly depleted - can not be replenished from tighter budgets (Reserves used: ERS, W.Comp, Unemployment)