



PHOENIX CENTRAL SCHOOL DISTRICT
Phoenix, NY 13135

TO: Chris Byrne
FROM: Karl Seckner
RE: Reserve Balances – June 30, 2021
DATE: July, 2021

The 2020-21 audit has been finalized; please refer to the following for an update on the status of the district's reserves:

Unemployment Insurance Reserve - \$135,869

This reserve is available for payment of expenses related to unemployment claims. Annual costs for unemployment are generally \$20,000 and paid for through our operating budget.

Reserve for Retirement Contributions - \$8,161,338, TRS - \$586,250

This reserve is available for costs associated with the NYS Employees' Retirement System. This reserve was established in June 2010 to help offset costs associated with rising contribution rates. It is likely that this reserve will be used in the future as the market makes downward correction that effect the contribution rate.

Reserve for Property Loss - \$250,732

This reserve is available to pay for damage to district property and for liability claims against the district. We have no specific use for remaining funds at this time; to expend for purposes other than those specified for the reserve at the time it was established requires voter authorization.

Reserve for Tax Certiorari - \$50,000

This reserve is available to pay for certiorari claims (reduction in current and/or past assessment of property) against the district. Since the district won the Dominion decision, there are no outstanding claims of significant value at this time. However, it appears that reductions in assessment are being awarded more frequently than in the past; we are using this reserve for larger claims. We used this reserve to pay potential tax refund currently pending. Unused funds should be returned to the general fund within four years of placement in this reserve which took place in 2023.

Reserve for Insurance - \$2,000,000

This reserve is available for payment of for uninsured losses, claims, or judgements.

Reserve for Employee Benefits and Accrued Liabilities - \$2,303,273

This reserve is available for payment of unused sick, personal and vacation days for retirees. For the fourteen prospective retirees anticipated to retire within the next two years, our liability for these payments is estimated to be \$520,000.

Unappropriated Fund Balance - \$3,869,209

These funds provide a cushion for unforeseen expenditures or revenue shortfalls and help ensure that adequate cash flow is available to meet the cost of operations. This amount represents 4% of the 2021-22 budget equal than the statutory limit of 4%. The BOE could fund the capital reserve with any excess.

Debt Service Reserve - \$1,616,176

These funds are accounted for outside of the district's general fund and can be used for debt service payments. The district has budgeted use of \$50,000 of these funds in the 2021-22 school year and plans to reduce use of these funds by \$50,000 each year.

Bus Reserve - \$92,814

Reserve used for emergency bus purchase. Reauthorized in May of 2015.

Capital Reserve - \$4,344,807

Reauthorized in May of 2015.