

**GOUVERNEUR SCHOOL DISTRICT  
RESERVE PLAN  
UPDATED JUNE 2024**

**Worker's Compensation Reserve**

*Creation* – This reserve was created on June 30, 2009.

*Purpose* – This reserve is used to pay for actual worker's compensation claims, related medical expenses and self-insurance administrative costs.

*Funding Methods* – This reserve was funded through excess fund balance over the course of several years.

*Use of Reserve* – This reserve will be used to fund annual Workers Compensation premiums to cover expenses, related medical expenses and self-insurance administration costs. **In 2024-25 we will utilize \$75,000 of reserve towards Workers Compensation Premiums.**

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. The reserve will have earned an estimated \$28,800 in interest in 2023-24. \$75,000 of reserve was used towards premiums.

*Funding Level* – It is our goal to maintain five years estimated costs in the reserve (\$400,000.)

**6/30/2023 Actual Balance: \$ 609,744.85      6/30/2024: \$ 565,000 with estimated interest**

## **Reserve for Retirement Contributions - ERS**

*Creation* – This reserve was created on June 30, 2009.

*Purpose* – This reserve is used to fund employer contributions to the NYS Employees' Retirement System only. Payments to the Teachers Retirement System are not allowed from this reserve.

*Funding Methods* – Funds are placed in this reserve from excess fund balance. It is our goal to maintain five years estimated costs in the reserve.

*Use of Reserve* – This reserve will be used to fund ERS contributions when there are changes in required contributions rates greater than the amount budgeted.

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. The reserve will have earned an estimated \$166,800 in interest in 2023-24.

*Funding Level* – It is our goal to maintain five years estimated costs in the reserve (\$2,500,000.)

**6/30/2023 Actual Balance: \$ 3,124,082**

**6/30/2024: \$ 3,290,900 with estimated interest**

## **Reserve for Retirement Contributions - TRS**

*Creation* – This reserve was created on May 13, 2019.

*Purpose* – This reserve is used to fund employer contributions to the NYS Teachers' Retirement System only. Payments to the Employees' Retirement System are not allowed from this reserve.

*Funding Methods* – Funds are placed in this reserve from excess fund balance.

*Use of Reserve* – The plan calls for annual use of this fund with amounts equal to or less than the annual expense for TRS. **In 2024-25 we will use \$421,655 of reserve towards TRS employer contributions.**

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. The reserve will have earned an estimated \$53,100 in interest in 2023-24.

*Funding Level* – It is our goal to maintain approximately 10% of prior year employees salaries in the reserve (\$1,149,752.67)

**6/30/2023 Actual Balance: \$ 994,569**

**6/30/2024: \$ 1,149,752.67 with estimated interest**

## **Reserve for Accrued Employee Benefits Liability**

*Creation* – This reserve was created on June 30, 2008.

*Purpose* – This reserve is used to pay for unused accumulated leave time contractually provided to certain groups of employees. This includes payment for unused sick days that are more likely to be paid out than not based on current contracts and years of service.

*Funding Methods* – This reserve was funded from excess fund balance. Additional funds will be placed in this reserve from excess fund balance when deemed appropriate.

*Use of Reserve* – This reserve is used when an employee separates from the District and payment of accumulated leave is required. These transactions flow through the budget via a budget revision with the offsetting revenue coming from a drawdown of this reserve.

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. Each year, a detailed analysis of the liability is computed and is used to support the funding of this reserve equal to or less than the liability. The reserve will have earned an estimated \$10,900 in interest in 2023-24.

*Funding Level* – This reserve should be funded at 100% of the accrued liability for unused accumulated leave time. **Reserve will be increased to \$340,410 to be able to fund all accumulated leave for employees with requisite amount of time needed to earn retirement benefit. These increased funds will come from unassigned fund balance at the end of fiscal year 2023-24.**

**6/30/2022 Actual Balance: \$208,241**

**6/30/2023: \$ 340,410 with estimated interest**

## **Reserve for Unemployment Insurance**

*Creation* – This reserve was created on June 30, 2008.

*Purpose* – This reserve is used to reimburse the State for payments made to claimants.

*Funding Methods* – This reserve was funded entirely from excess fund balance when it was created. Subsequent increases to the reserve were from excess fund balance and were in anticipation of an increased number of staff reductions.

*Use of Reserve* – The reserve will be used for unemployment expenses beyond amount budgeted. Our greatest unemployment expense in recent years was \$40,000 during COVID. However, potential future expenditures in this area exist.

*Monitoring of Reserve* – This reserve will be monitored by the Business Manager in conjunction with other central office administrators to assess the potential for incurring unemployment claims. The reserve will have earned an estimated \$9,300 in interest in 2023-24.

*Funding Level* – This reserve will be funded increased to \$300,000 to support potential future claims.

**6/30/2022 Actual Balance: \$ 175,278      6/30/2023: \$300,000 with estimated interest**

## **Reserve for Tax Certiorari**

*Creation* – It was recommended to create this reserve via resolution at the Board of Education meeting on July 10, 2009.

*Purpose* – This reserve is used to pay for prior year judgments and claims in tax certiorari proceedings. Current year refunds should be paid through the budget.

*Funding Methods* – Future funding methods may include transfer from excess fund balance or transfers from other reserves. Funds placed in this reserve that are not used to pay tax certiorari judgments or claims must be returned to the General Fund after four years.

*Use of Reserve* – This reserve would be used to pay for prior year tax certiorari claims. Pending the determination of current legal action, liability for these claims began to accrue effective July 1, 2014.

*Monitoring of Reserve* – This reserve, if needed, will be monitored by the Business Manager. It is anticipated that detailed calculations will be required each year to support the amounts in this reserve. The reserve will have earned an estimated \$12,300 in interest in 2023-24.

*Funding Level* – Unsettled claims of \$147,423.82 should be reserved for dating back to 2020-21. The reserve will have earned an estimated \$12,300 in interest in 2023-24.

**6/30/2023 Actual Balance: \$ 230,141**

**6/30/2023: \$147,423.82 plus estimated interest**

## **Reserve for Liability**

*Creation* – This reserve was created on June 30, 2008.

*Purpose* – This reserve is used to pay liability claims incurred.

*Funding Methods* – This reserve was funded from excess fund balance.

*Use of Reserve* – This reserve would be used to pay any allowable claims, as described in the purpose for this reserve.

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. The reserve will have earned an estimated \$24,400 in interest in 2023-24.

*Funding Level* – This reserve was initially funded at a level of \$100,000, exclusive of interest earnings.

**6/30/2023 Actual Balance: \$ 457,659**

**6/30/2024: \$ 482,116 with estimated interest**

## **Capital Reserve - Building**

*Creation* – This reserve was created on June 16, 2020 via voter approval. The voters approved a maximum limit of \$10,000,000 inclusive of interest.

*Purpose* – This reserve is to fund the cost of any object or purpose for which bonds may be issued.

*Funding Methods* – Voter approval is required to establish and fund this reserve. In accordance with the approved proposition, this reserve was funded from excess fund balance and transfer from Insurance Reserve and Property Loss Reserve funds.

*Use of Reserve* – Use of this reserve requires voter approval. The proposition to use these funds must be specific to a set of projects and dollar amounts. In 2024-25, plans should be made to address remaining funds in reserve. This may include transferring funds to another reserve.

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. The reserve will have earned an estimated \$206,700 in interest in 2023-24.

*Funding Level* – As stated in the approved proposition, the reserve was created with a maximum limit of \$10,000,000 inclusive of interest for the probable term of 10 years.

**6/30/2023 Actual Balance: \$ 9,600,000**

**6/30/2024: \$ 206,742 including interest**



## **Capital Reserve – 2023 Transportation Capital Reserve**

*Creation* – This reserve was created on May 16, 2023 via voter approval. The voters approved a maximum limit of \$5,000,000 including interest.

*Purpose* – This reserve is to defray the cost of school buses and other vehicles, and transportation infrastructure, including construction and reconstruction of School District buildings and facilities, original equipment, machinery, apparatus, appliances, furnishings, other incidental improvements and expenses in connection therewith.

*Funding Methods* – Voter approval is required to establish and fund this reserve. In accordance with the approved proposition, this reserve was initially funded by a transfer from the Capital Reserve Fund – Buses. Additional funding will be from excess fund balance.

*Use of Reserve* – Use of this reserve requires voter approval. The proposition to use these funds must be specific to a set of projects and dollar amounts. In December of 2023, Voters approved the use of \$555,520 from the reserve for the purchase of 3 buses. These buses have been ordered but have not arrived.

*Monitoring of Reserve* – This reserve is monitored by the Business Manager. Attention should be given to increasing limit of reserve or establishing a new reserve for the purposes of funding the initial outlay of converting transportation fleet to electric. Each of our buses will cost approximately \$300,000 more than their fossil fueled equivalent each in the conversion process. While transportation aid will follow, increasing the amount we reserve could allow us to continue to avoid financing bus purchases. It would also allow us to avoid increasing local capital outlay and tax cap.

*Funding Level* – The reserve was created with a maximum limit of \$5,000,000 including interest for the probable term of 10 years. The new maximum limit is \$4,444,480.

**6/30/2023 Actual Balance: \$1,280,000**

**6/30/2024: \$3,750,000**

**Repair Reserve –**

*Creation* – This reserve was created on June 3, 2024 via Board resolution.

*Purpose* – Monies in may be appropriated only for repairs of capital improvements or equipment, which repairs are of a type not recurring annually or at shorter intervals,

*Funding Methods* – The source of funds for such Reserve Fund shall be such amounts as may be provided therefor by budgetary appropriation or such revenues as are not required by law to be paid into any other fund or account.

*Use of Reserve* – Except for an emergency situation, prior to any expenditure being made from such Fund, the Board shall, after notice in the official newspaper, hold a public hearing with respect to such expenditure as provided in Section 6-d of the General Municipal Law;

*Monitoring of Reserve* – This reserve is monitored by the Business Manager.

*Funding Level* – The reserve will be funded in the future with voter approval. In May of 2025, the voters will be asked to provide initial funding of \$1,000,000 to this reserve from Unassigned Fund Balance.

***6/30/2023 Actual Balance: NA***

***6/30/2024: \$NA***