

ANDOVER CENTRAL SCHOOL



RESERVE PLAN
2022-2023

Andover Central School Reserve Summary

Employee Benefits Accrued Liability Reserve

Date Established: 5/12/2008 by BOE Resolution

Maximum Funding Goal: Maximum liability of District funded at 100% - changes annually

Legal Requirements: GML Article 2 §6-p

Purpose: To pay accrued benefits due employees upon termination of service for vacation, sick leave, personal leave, etc.

Funding Source: Budgetary appropriation or other funds that may be legally appropriated or funds from other reserves authorized in General Municipal Law, subject to permissive referendum

Expenditures: Separate BOE authorization not required to spend from this reserve

Duration: No Limit

Restrictions/

Liquidation: Upon termination by BOE, balance not required to satisfy all incurred or accrued liabilities may be transferred to any other reserve fund(s) authorized in the General Municipal Law (GML). May be used to fund health or other post-retirement benefits.

Property Loss & Liability Reserve

Date Established: First recorded in 2000 audit – No resolution found

****NEEDS TO BE REESTABLISHED****

Maximum Funding Goal: Three (3) percent of the annual budget

Legal Requirements: Ed. Law §1709 (8-c)

Purpose: To pay for property loss & liability claims incurred.

Funding Source: Budgetary appropriation or other funds that may be legally appropriated.

Expenditures: Separate BOE Resolution not required for most expenditures (see restrictions)

Duration: No Limit

Restrictions/

Liquidation: Annual contribution(s) limited to greater of \$15,000 or 3% of the budget. Separate funds required for property loss and liability claims. Funds deposited cannot be used for another purpose w/o voter approval except BOE may use fund not required to settle pending claims to purchase insurance policies to cover losses previously self-insured. Balances may be reduced below amounts required to settle all pending claims.

Reserve for Retirement Contributions

Date Established: 8/10/2009 by BOE Resolution

Maximum Funding Goal: A funding level equivalent to the value of five consecutive years of ERS assessments.

Legal Requirements: GML Article 2 §6-r

Purpose: To fund employer ERS contributions

Funding Source: Budgetary appropriations or other funds that may be legally appropriated; Revenue not restricted by Law to be paid to another fund or account; or Transfers from Tax Certiorari, Capital, or Repair Reserves.

Expenditures: Authorized by BOE Resolution

Duration: No Limit

Restrictions/

Liquidation: Transfers from or back to other reserve funds require a public hearing with 15 days notice published in official newspaper(s)

Reserve for Retirement Contributions Sub Fund

Date Established: 6/22/2020 by BOE Resolution

Maximum Funding Goal: Annual contributions of 2% of prior year TRS salaries up to funding level equivalent to the value of five consecutive years of TRS assessments.

Legal Requirements: GML Article 2 §6-r

Purpose: To fund employer TRS contributions

Funding Source: Budgetary appropriations or other funds that may be legally appropriated; Revenue not restricted by Law to be paid to another fund or account; or Transfers from Tax Certiorari, Capital, or Repair Reserves.

Expenditures: Authorized by BOE Resolution

Duration: No Limit

Restrictions/

Liquidation: Transfers from or back to other reserve funds require a public hearing with 15 days notice published in official newspaper(s), maximum annual funding is limited to 2% of prior year TRS employee salaries, maximum balance is capped at 10% of prior year TRS employee salaries

Unemployment Reserve

Date Established: First recorded in 2004 audit – No resolution found

****NEEDS TO BE REESTABLISHED****

Maximum Funding Goal: 5 years of unemployment payments or a minimum of \$50,000

Legal Requirements: GML Article 2 §6-m

Purpose: To pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the school district uses the benefit reimbursement method.

Funding Source: Budgetary appropriations or other funds that may be legally appropriated or funds from other reserves authorized in the GML, or Education Law subject to permissive referendum

Expenditures: Separate BOE authorization not required to spend from this reserve.

Duration: No Limit. BOE may terminate if district converts to tax contribution method of funding.

Restrictions/

Liquidation: If district converts to tax contribution funding mechanism, balance exceeding the amount necessary to pay all outstanding claims may be transferred, to any other reserve fund(s) authorized by GML or Ed. Law §3651. Excess funds remaining at end of any school year may be transferred, within 60 days of the close of that school year, to other reserve fund(s) or applied to budgetary appropriations for the new school year.

Capital Reserve 2016

Date Established: 5/16/2016 by BOE Resolution and Voter Approval

Maximum Funding Goal: \$2,000,000 plus interest

Legal Requirements: Ed. Law §3651

Purpose: For construction, repair, and reconstruction of capital improvements and the acquisition of equipment

Funding Source: Proposition(s) put before voters must specify purpose(s), ultimate amount(s) to be deposited into reserve(s), probable term(s) or life/lives and source(s) of funds to be deposited into the reserve(s).

Expenditures: Voter approval required to spend from these reserve(s).

Duration: Limited to term or life approved by voters. Voters may extend term only before end date. Reserve(s) defunct after terms expire, except to spend remaining funds w/voter approval.

Restrictions/

Liquidation: Purpose must be specific i.e. to purchase school buses, facility construction, equipment etc. Total expenditures over life of each reserve may not exceed voter-approved maximum. Funds may be transferred to other reserves only with voter approval. Voter approval required to terminate reserve before specified expiration date. Remaining funds must first be applied to district's outstanding bonded indebtedness and secondarily to reduce the tax levy.

Bus Purchase Reserve – TO BE CLOSED IN 2022-23

Date Established: 5/19/2015 by BOE Resolution and Voter Approval

Maximum Funding Goal: \$600,000 plus interest

Legal Requirements: Ed. Law §3651

Purpose: For the purchase of school buses, vehicles, and equipment, and costs incidental thereto. Help stabilize budget.

Funding Source: Proposition(s) put before voters must specify purpose(s), ultimate amount(s) to be deposited into reserve(s), probable term(s) or life/lives and source(s) of funds to be deposited into the reserve(s).

Expenditures: Voter approval required to spend from these reserve(s).

Duration: Limited to term or life approved by voters. Voters may extend term only before end date. Reserve(s) defunct after terms expire, except to spend remaining funds w/voter approval.

Restrictions/

Liquidation: Purpose must be specific i.e. to purchase school buses, facility construction, equipment etc. Total exp. over life of each reserve may not exceed voter-approved maximum. Funds may be transferred to other reserves only with voter approval. Voter approval required to terminate reserve before specified expiration date. Remaining funds must first be applied to district's outstanding bonded indebtedness and secondarily to reduce the tax levy.

2017 Bus Purchase Reserve

Date Established: 5/16/2017 by BOE Resolution and Voter Approval

Maximum Funding Goal: \$1,200,000 plus interest

Legal Requirements: Ed. Law §3651

Purpose: For the purchase of school buses, vehicles, and equipment, and costs incidental thereto. Help to provide a 5-year trade-in schedule.

Funding Source: Proposition(s) put before voters must specify purpose(s), ultimate amount(s) to be deposited into reserve(s), probable term(s) or life/lives and source(s) of funds to be deposited into the reserve(s).

Expenditures: Voter approval required to spend from these reserve(s).

Duration: Limited to term or life approved by voters. Voters may extend term only before end date. Reserve(s) defunct after terms expire, except to spend remaining funds w/voter approval.

Restrictions/

Liquidation: Purpose must be specific i.e. to purchase school buses, facility construction, equipment etc. Total exp. over life of each reserve may not exceed voter-approved maximum. Funds may be transferred to other reserves only with voter approval. Voter approval required to terminate reserve before specified expiration date. Remaining funds must first be applied to district's outstanding bonded indebtedness and secondarily to reduce the tax levy.

Capital Reserve 2022

Date Established: 5/17/2023 by BOE Resolution and Voter Approval

Maximum Funding Goal: \$5,000,000 plus interest

Legal Requirements: Ed. Law §3651

Purpose: For the acquisition, construction, reconstruction, expansion, renovation, alteration and improvement of buildings, facilities, sites and real property by the District, or the District's share of the cost of any capital improvements project undertaken by a Board of Cooperative Educational Services ("BOCES") of which the District is (or may become) a component district, including, in all cases, the acquisition of necessary furnishings, equipment, machinery and apparatus

Funding Source: (A) budgetary appropriations of the District; (B) unappropriated fund balance of the District as directed by the Board; (C) State aid received as reimbursement for expenditures by the District in connection with District capital improvements (whether or not such improvements were financed in whole or in part from the Fund); (D) the proceeds from the sale of unneeded real or personal property owned by the District, if permitted by law and if so directed by the Board; and/or (E) such other sources as the Board or the voters of the District may direct from time to time, all as may be permitted by law.

Expenditures: Voter approval required to spend from these reserve(s).

Duration: 10 years. Voters may extend term only before end date. Reserve(s) defunct after terms expire, except to spend remaining funds w/voter approval.

Restrictions/

Liquidation: Purpose must be specific i.e. to purchase school buses, facility construction, equipment etc. Total expenditures over life of each reserve may not exceed voter-approved maximum. Funds may be transferred to other reserves only with voter approval. Voter approval required to terminate reserve before specified expiration date. Remaining funds must first be applied to district's outstanding bonded indebtedness and secondarily to reduce the tax levy.