

# FINANCIAL MANAGEMENT AND RESERVE PLAN

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Adopted April 21, 2020

ALEXANDRIA CENTRAL SCHOOL DISTRICT



# INTRODUCTION

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## ***FINANCIAL MANAGEMENT PHILOSOPHY***

The Board of Education views strong financial management as essential to the District's long term viability. It protects the community's investment in our school and ensures that resources are available to protect the programs and services necessary to meet the needs of a diverse student population. Financial decisions cannot be made for the short term without consideration of how they affect the future.

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## ***OBJECTIVES***

The Board of Education's beliefs about fiscal management and the maintenance of reserves are grounded in the following:

- Programs that provide a demonstrable benefit to students must be protected in both the short and long term.
- While realizing the economic struggles of the district residents, the District does not take lightly the option of exceeding the tax cap and proposing an override vote.
- Decisions cannot be made year to year. Constraints on the growth of District revenues do not allow current decisions that affect ongoing revenues and expenses to be easily corrected in future years.
- The community has a significant investment in our school and is owed transparency about the District's financial management philosophy.

Financial management practices involve how we budget, the amount of surplus generated, management of reserves and how we allow the political environment within which we operate to affect decision making.

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## BUDGETING

Budgets are developed using actual current data and projecting new expenses (for programs, staff, etc.) and inflation in a manner that ensures that adequate funds are available. This conservative approach is designed to make the chances of an **operating deficit** (expenses exceeding revenue) as small as possible. Operating deficits are viewed negatively by credit rating agencies and in the State Comptroller's fiscal stress calculation. In many cases an operating deficit will carry over into future fiscal years, creating a drain on resources from those budgets as well.

Over time, budgeting to the average will result in an equal number of years of operating deficits and operating surpluses. The fiscal health of a school district is judged on its ability to avoid operating deficits, not on its ability to have an equal number of years of operating deficits and operating surpluses.

The District does not budget to create surplus except for an amount equal to that which is annually appropriated by the board from fund balance to lower the property tax levy. In that case, the District budgets to create a surplus that is then returned to the taxpayers. This practice began as a means of improving cash flow and evolved over time. The long term goal is to eliminate both the surplus and the appropriation of fund balance. There will be no net impact on the taxpayers but this will allow them to keep their money a bit longer.

In the past, it was possible to budget from year to year. An operating deficit in one year could be made up by a higher tax increase in the following year. A lean year for state aid would likely be balanced by an extremely large increase in a subsequent year. Those factors made budget issues more likely to be a short term event than an ongoing problem.

The **property tax cap** forces a long term view of budgeting. The tax cap restricts the growth of local revenue. The **state aid cap** that ties aid increase to the growth of personal income in the state restricts the growth of state revenue. Together these account for over 90% of all revenue. These caps restrict long term revenue growth to less than the long term growth of expenses. That trend will eventually turn budget surpluses into deficits. There is nothing on the horizon that can turn structural deficits into balanced operating budgets.

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## ***SURPLUS***

Use of budget surpluses in a way that supports the ongoing budget structure undermines the long term fiscal health of the District. If surplus funds are applied to lower the tax levy on a one-time basis, the long term budget structure will need to replace those surplus funds with a different revenue source. Since both property taxes and state aid increases are capped, the only means of doing this is by tapping into reserves. This creates a structural budget deficit.

If changes are made to the budget structure that lower the amount of surplus generated, the District moves closer to structural budget deficits that cannot be reversed.

Surplus funds should be used in a way that provides long term benefit to the District without creating a structural budget imbalance. These could include “buying down” the future expenses, paying for one-time costs or saving for the future through the use of various reserves.

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## ***RESERVES***

Reserve funds serve many purposes as outlined in this document.

The District’s capital reserve fund is restricted in the amount of money that may be deposited into it. The District will eventually seek voter approval to expend money from this reserve.

Some reserves (tax certiorari, repair, liability, insurance) are established to provide a means of funding large one-time expenses that cannot ordinarily be predicted. Setting aside funds for the same purposes in an operating budget could force a reduction in services or would result in a tax levy increase that requires a tax cap override.

The law permits reserves to be established for certain types of operating expenses (retirement contributions, workers’ compensation, unemployment, employee benefits accrued liability). In some cases, the reserves are intended to provide a means of setting aside money as a hedge against years in which expenses are high. Use of reserves as a means of funding long term recurring expenses will result in a “fiscal cliff” when the reserve is depleted.

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## ***POLITICAL CONSIDERATIONS***

Pressure to reduce surplus or spend down fund balance and reserves should be resisted. These are often seen as preferable to making difficult budget choices. In fact, they simply put off difficult choices to another time. All decisions on this type should be made with the long term consequences in mind.

# POLICY

## ***DISTRICT POLICY ON FISCAL PRACTICES***

The annual school budget will be developed and administered in a fiscally sound manner. The basic goals of this policy include:

Ongoing expenses and recurring revenues should be matched. One-time revenues should only be used to pay one-time expenses.

To maintain the District's creditworthiness and protect it from unforeseen financial events and cyclical economic changes, the Board of Education supports maintaining a healthy balance in reserve funds and fund balance.

Reserve funds should be used to pay recurring expenses only if the amount of money on deposit in the reserve fund is clearly sufficient to support these expenses for a number of years and when it can reasonably be anticipated that funds in the reserve can be replenished before they are exhausted.

Should it be necessary to expend reserve funds or fund balance in a manner not consistent with this policy, the School Business Administrator will develop a reasonable plan to limit the District's future reliance of these funds

Adopted – 2020, reviewed annually thereafter

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## **TRANSPARENCY**

The District believes that in exercising fiduciary responsibility for taxpayer money its actions should be subject to public scrutiny. This is accomplished in a number of ways:

Each fall, the School Business Administrator makes a presentation entitled Review of District Financial Position to the Board of Education in an open board meeting. This presentation includes disclosure of all reserve fund balances, retiree health insurance obligations, an explanation of our financial practices and discussion of bonded indebtedness.

Audited financial statements are posted on the District's website.

State law requires disclosure on the property tax report card of the following information:

- The purpose of the reserve fund; and
- Reserve balances at the end of the 3<sup>rd</sup> quarter of the school year; and
- Projected June 30<sup>th</sup> balances; and
- A brief description of any planned use of the reserve in the upcoming school year.

The District also uses the property tax report card to disclose the projected year-end balance of each reserve, even though this information is not required.

All reserve deposits are authorized by Board of Education resolution. The agendas of meetings at which funding resolutions are to be considered are posted in the District's website as are minutes containing the adopted resolutions.

Budget documents that include proposed voter authorized funding are posted on the District's website, placed in the school building and in the MacSherry Public Library. Line item budgets contained in budget documents specifically reference proposed interfund transfers to various reserves.

# RESERVES

## *WHAT PURPOSES DO RESERVES SERVE?*

The State Comptroller states: “Planning today and saving incrementally for expected future events can help mitigate the financial impact of major, nonrecurring or unforeseen expenditures on your annual operating budget.”

- “Reserve Funds”, Office of State Comptroller Local Government Management Guide, January 2010

**Some reserves are a savings account in which money is accumulated for a planned future use.** Our capital reserve provides the opportunity to save surplus funds for the eventual use as a financing source for a construction project.

Beginning with 2020, our proposed capital projects will be funded through a combination of state aid and reserve funds. Minimal, if any, tax increases may be required. In fact, rising aid ratios often lead to a negative tax levy impact from debt service payments. If reserve funds are not available, proposed projects may require an increase in taxes. That would force reduction in the scope of projects and make voter approval of them less likely.

Applying reserve funds to construction projects reduces the total amount of the District’s bonded indebtedness. This results in lower interest expenses.

The New York State Comptroller’s office states: “The practice of planning ahead and systemically saving for capital acquisitions and other capital needs is considered prudent management.”

**Reserves can reduce the need to plan for the unexpected in annual operating budgets.** It can be difficult in a budget that contains relatively little surplus to make provisions for large expenses that occur infrequently. For example, a major boiler failure or a large tax certiorari judgment could result in a significant, unplanned expense.

Rather than budget money “just in case” something of this nature happens reserve funds can provide a means of setting aside money outside of the annual budget to meet expenses of this type when they occur.

**Reserves provide a tool to smooth out the peaks and valleys in certain parts of the budget.** For example, the legislature created the retirement contributions reserve fund for exactly this purpose. Rates vary greatly depending on the investment returns of the retirement systems. When contribution rates are rising, the increases can crowd out necessary spending, even forcing program reductions and elimination of positions.

**Reserves can allow the District to “prepay” certain types of expenses.** Some types of leave accrued by employees may result in a cash payment at the time of retirement. Retirements are not always predictable and do not occur at regular intervals. The Employee Benefits Accrued Liability Reserve Fund provides the means to set aside the value of those payments as they are earned.

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## ***HOW ARE RESERVES FUNDED?***

Reserves are similar to savings accounts. They may be funded in several ways, such as:

- **Surplus funds** from either the under expenditure of the approved General Fund budget or receipt of revenue in excess of that which was projected in the budget.
- **Money approved by the voters.** Some of our reserves allow money to be deposited through the approval by the voters in the annual operating budget.
- **State aid.** The voters have authorized the Board of Education to fund several reserve funds with a portion of state aid receipts.
- **Deposits required by law.** Premiums on bond proceeds and unexpended capital project funds must be deposited in the debt service fund.
- **Interest income earned on money already on deposit in reserve funds.** Interest earned on each of the District's reserves remains on deposit in the reserve.

Each reserve has specific requirements for funding that have been established by law, by voter authorization, or through the Board of Education resolution creating the reserve.

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## ***HOW RESERVES AFFECT CREDIT RATING***

The District is issued a credit rating by Moody's Investors Services. The credit rating provides investors with insights on the District's ability to repay the serial bonds that it issues. Higher credit ratings lead to lower interest rates on those bonds.

Alexandria Central School District has an A+ rating. This rating is clearly maintained solely on the basis of its sound financial practices and strong balance sheet.

# SURPLUS

## ***WHAT IS AN APPROPRIATE LEVEL OF BUDGET SURPLUS?***

The introduction to this document explains why budget surpluses are necessary.

No one has ever defined the appropriate amount of budget surplus. The law regulates the amount of fund balance that a district may retain and the manner in which it may be retained, but there is no equivalent law for budget surplus.

The greater the surplus, the lower the risk of an operating deficit. On the other hand, a large surplus means that the District is collecting funds that might not be needed until some future date.

Districts have been criticized in audits by the State Comptroller both for fund balances that are too small and for having what has been termed “excess” reserves. The criticisms of large reserves have mostly focused on the budget surpluses that have allowed reserve funds to grow. Districts have been frustrated because no one was willing to define how much surplus is enough and how much is too much.

That may have changed. The State Comptroller’s Office issued an audit of the Marathon Central School District in March 2018 that included the following statement: “District officials adopted reasonable budgets... (with average revenue variances of less than 3.7 percent and average expenditure variances of less than 6.4 percent)...” It remains to be seen what the Comptroller might view as the outer limits of acceptable surplus, but this statement does provide some clues. It should be noted that the Comptroller is not empowered to set limits on surplus or on the methods by which surplus is generated. He may simply offer an opinion on best practice.

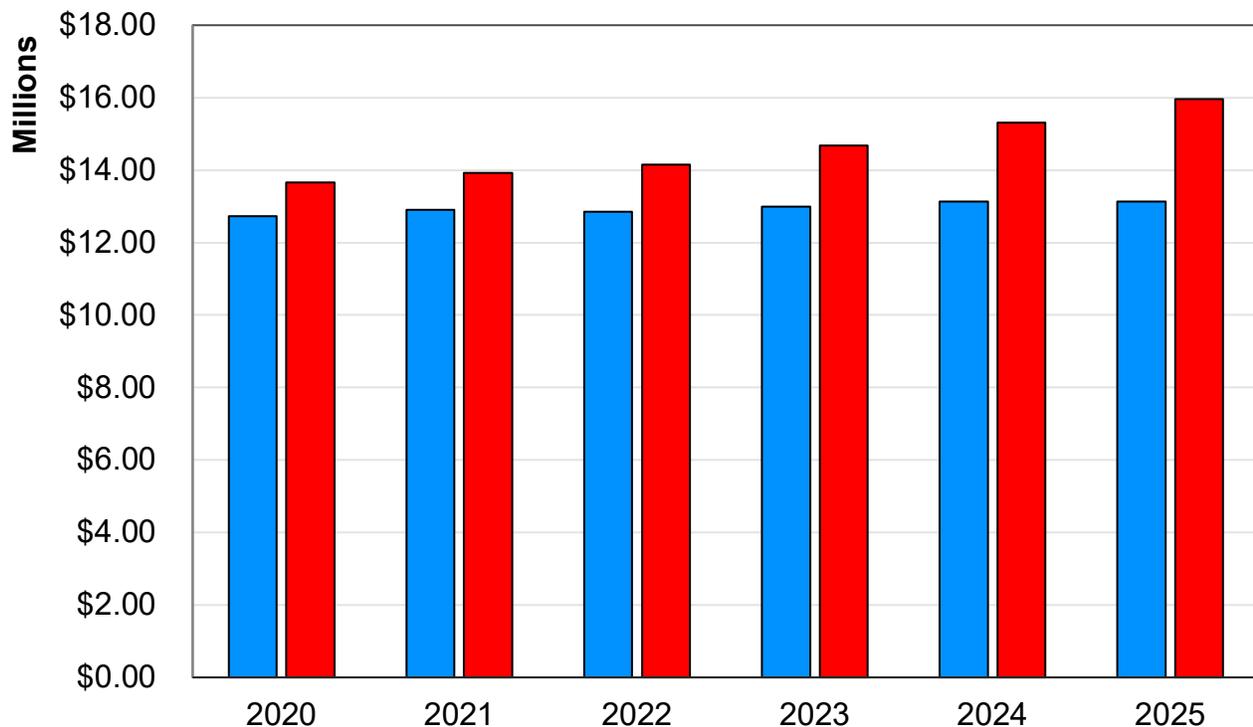
# LONG TERM PROJECTIONS

## *LONG TERM FINANCIAL PROJECTIONS*

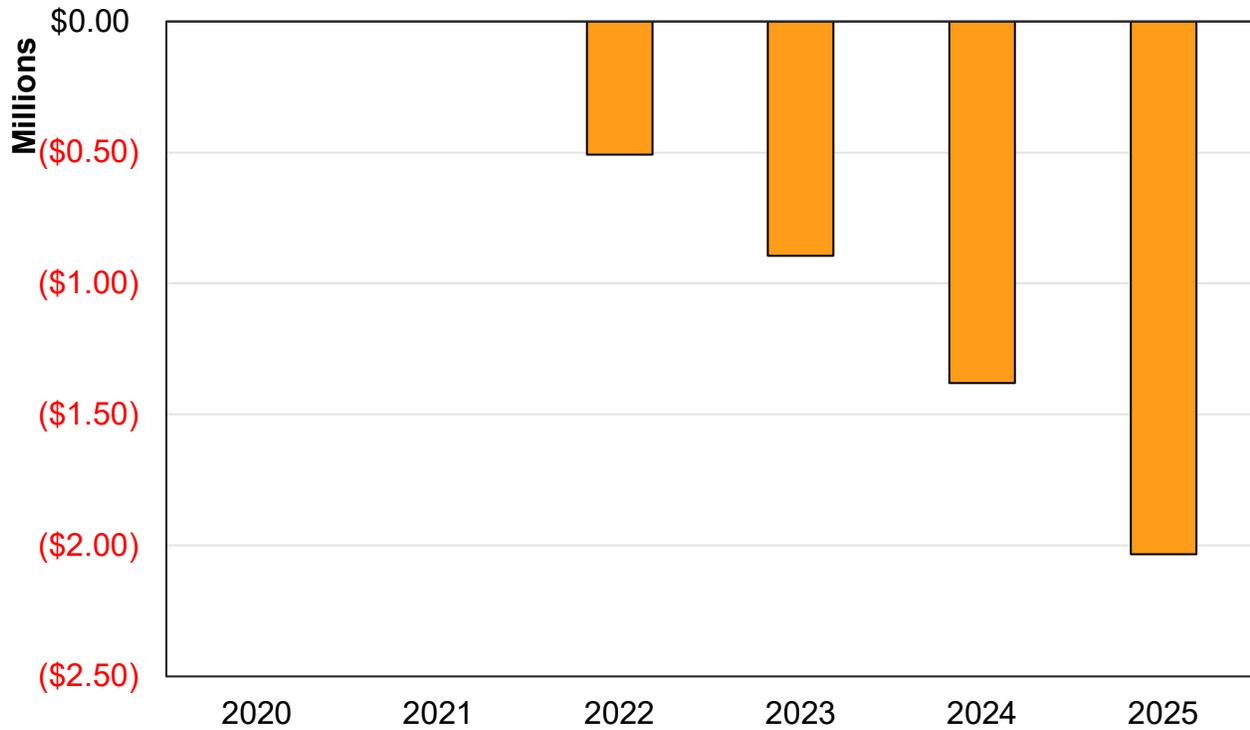
The following illustration is based on projects of future revenues and expenses. If nothing changes, it shows a structural deficit developing by the 2021-2022 school year. This is due in great part to COVID-19 Pandemic which will affect revenues for 2019-2020 and 2020-2021 school years. Any further reduction in current structural surplus will accelerate the start of structural deficits and make them deeper.

### Revenues Vs. Expenditures

■ Revenues ■ Expenditures



## Surplus / Deficit

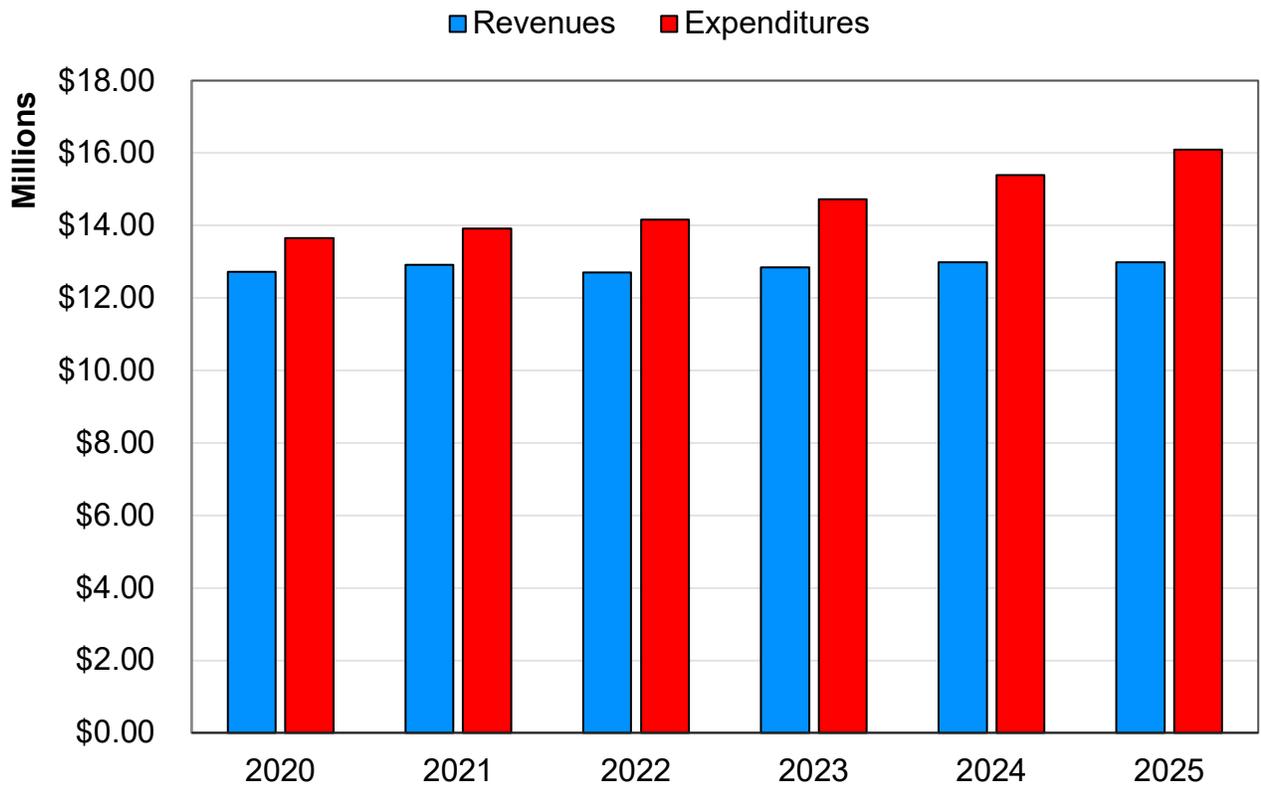


Once of the primary goals of the District's financial management strategy is to avoid structural deficits for as long as possible and to build extremely strong reserves that mitigate the need for staff and program reductions for as long as possible after persistent structural budget deficits begin.

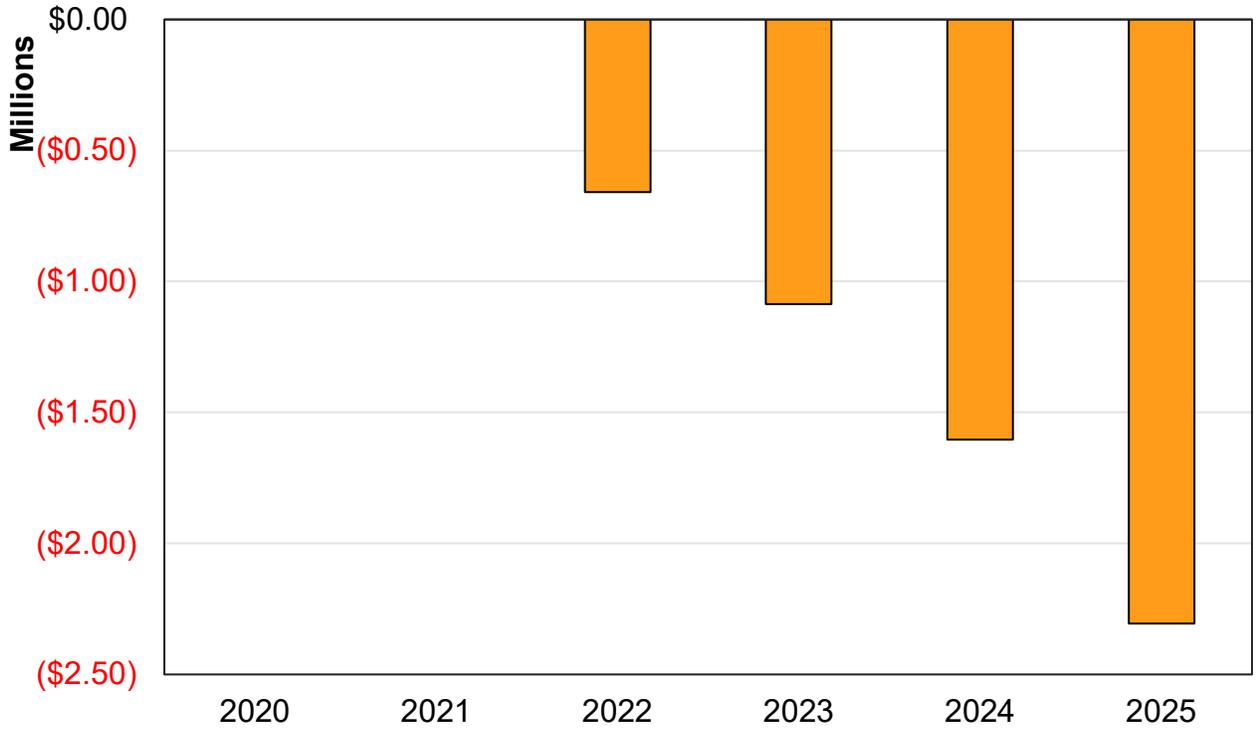
## PROTECTION AGAINST AN ECONOMIC DOWNTURN

When adverse economic conditions create interruptions in District revenue, the obligation to abide by state and federal mandates is not relaxed. A recession will often force a reduction in state aid as occurred with the Gap Elimination Adjustment beginning with the 2010-2011 school year. Since both the Employees Retirement System and the Teachers Retirement System are heavily dependent on a healthy return on their investments, employer contribution rates will normally increase. If those factors mirrored the last recession, we could reasonably expect the District's financial results to look like this as aid is decreased and pension costs increase:

### Revenues Vs. Expenditures



### Surplus / Deficit



# RESERVE DETAILS

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## ***DISCUSSION OF INDIVIDUAL RESERVES***

The District's reserves is described on the pages that follow. It is a reference that describes the origin of the reserve, the legal basis for the reserve, short and long term uses of the reserve, the current reserve balance and other funding issues.

Legal counsel and the District's auditors are consulted whenever a reserve is created or its use is substantially altered.

Each of the reserves listed is monitored by the School Business Administrator with annual reporting to the Board of Education at a public board meeting and in the audited financial statements. Each is also disclosed as required by law in the property tax report card.

As required by law, reserves are funded only by resolution of the Board of Education or approval of the voters.

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## ***RETIREMENT CONTRIBUTIONS RESERVE***

Creation – The original resolution creating this reserve is an unknown date. However, this reserve was reviewed and re-approved by the Board of Education on July 2, 2019.

Authorization – General Municipal Law §6-r.

Purpose – This reserve is used to pay for district expenses to the NYS Employees Retirement System only.

Funding Methods – Fund balance or budgetary appropriations. The law also allows transfers from tax certiorari, repair, capital, equipment and technology or bus purchase reserves.

Our Use of Reserve – To pay some of our annual Employees Retirement System employer contributions if required to support the general fund budget. Use of reserve funds to support ongoing operating expenses creates an unbalanced budget and should be restricted to times of significant enough fiscal stress where the alternatives cause greater damage to the school district. We have not found it necessary to budget use of this reserve to support some Employees Retirement System employer contribution costs. Should this be necessary, it would be with board authorization to withdraw the funds only if required by the end of the fiscal year.

Funding level – The current funding level is sufficient to support a budgetary appropriation of the amount in the 2019-2020 budget for 1.64 years. There are no limits on the amount of money that may be kept on deposit in the reserve. In the interest of long term financial stability of the District, the Board of Education will continue to fund this reserve to the extent that surplus funds are available for this purpose.

Expenditures – Our practice has been to authorize by budgetary appropriation and provide discretion in use of the appropriation by annual Board of Education resolution.

Duration – No limit.

Other Uses of Funds – Transfers from or back to other reserve funds require a public hearing with 15 days notice published in the official newspaper.

Accounting – This reserve is accounted for in the General Fund.

03/31/20 Balance: \$363,886.36

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## ***EMPLOYEE BENEFITS ACCRUED LIABILITY RESERVE***

Creation – This reserve was created on March 24, 2020.

Authorization – General Municipal Law §6-p.

Purpose – This reserve is used to pay for unused accumulated leave time for which employees are contractually entitled to be compensated upon separation from service. This may include payment for unused sick and vacation pay depending on the contractual provision. This fund cannot be used to pay for items such as retirement incentives, FICA and Medicare payments and retiree health insurance.

Funding Methods – Funding may come from budgetary appropriations, fund balance, or other reserves authorized by General Municipal Law subject to permissive referendum.

Our Use of Reserve – This reserve is used when an employee separates from the District and payment of accumulated leave is required.

Funding Level – Each year, a detailed analysis of the liability is computed and is used to support the funding of this reserve at 100% of the liability. Necessary increases or decreases in funding are approved by Board of Education resolution.

Expenditures – Annual accounting of net change of the District's current obligation. The law does not required a Board of Education resolution to expend funds from this reserve.

Duration – No limit.

Other Uses of Funds – Outstanding obligations must first be met, then funds may be transferred by Board of Education to another reserve authorized by General Municipal Law.

Accounting – This reserve is accounted or in the General Fund.

03/31/20 Balance: \$0.00

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## ***UNEMPLOYMENT INSURANCE RESERVE***

Creation – The original resolution creating this reserve is an unknown date. However, this reserve was reviewed and re-approved by the Board of Education on July 2, 2019.

Authorization – General Municipal Law §6-m.

Purpose – This reserve is used to reimburse the State for unemployment insurance payments made to claimants. We reimburse the State for actual claims incurred rather than pay a premium for unemployment insurance coverage.

Funding Methods – Funding may come from budgetary appropriations and fund balance. Money may be transferred from other reserves authorized by General Municipal Law or Education Law subject to permissive referendum.

Our Use of Reserve – All reimbursements to the State for covered unemployment insurance payments come from this reserve.

Funding Level – At this time, funding levels are appropriate given the historical level of layoffs in the District. If layoffs were to increase in the future, consideration should be given to adding money to this reserve.

Expenditures – Annual accounting of District's expenditures. The law does not require a Board of Education resolution to expend funds from this reserve.

Duration – No limit.

Other Uses of Funds – Excess funding could be transferred to other reserves or the General Fund by Board of Education resolution. The reserve may be terminated by Board of Education resolution if the District elects to cease self-insuring unemployment benefits and remaining funds may be transferred to another reserve authorized by General Municipal Law or Education Law §3651.

Accounting – This reserve is accounted for in the General Fund.

03/31/20 Balance: \$61,781.43

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## ***CAPITAL RESERVE***

Creation – This reserve was created by voter approval on May 15, 2018. This is the second Capital Reserve Fund approved by the voters. Previous capital reserves reached their maximum authorized level and were terminated after funds were exhausted.

Authorization – Education Law §3651.

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

Funding Methods – The Board of Education is authorized to make deposits annually of amounts available via budgetary appropriations. Additional amounts may be deposited as authorized by the voters.

Our Use of Reserve – The Capital Reserve Fund is used to accumulate money to be applied to capital projects. Our model has been to use this money to eliminate the local share of debt service payments arising from capital projects. This allows capital projects to be undertaken without any increase in property taxes.

Funding Level – As stated in the approved proposition, this reserve was created with a maximum limit of \$1,000,000. That is the total amount of money that may be deposited to the Capital Reserve Fund exclusive of interest income.

Expenditures – Voter approval is required to spend money from a capital reserve fund.

Duration – The authorization to make deposits to this reserve expires after 10 years or when the total amount of deposits reaches the \$1,000,000 threshold.

Other Uses of Funds – Voter approval is required to terminate the capital reserve fund before its expiration date. If terminated, unused funds must first be applied to the District's outstanding indebtedness and then to lower the tax levy.

Accounting – This reserve is accounted for in the General Fund.

03/31/20 Balance: \$510,513.67, Remaining Authorized Deposits: \$500,000

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## **RETIREMENT CONTRIBUTIONS RESERVE SUB-FUND**

Creation – This reserve was created on April 25, 2019.

Authorization – General Municipal Law §6-r.

Purpose – This reserve is used to pay for district expenses to the NYS Teachers Retirement System only.

Funding Methods – Fund balance or budgetary appropriations. The law also allows transfers from tax certiorari, repair, capital, equipment and technology or bus purchase reserves.

Our Use of Reserve – To pay some of our annual Teachers Retirement System employer contributions if required to support the general fund budget. Use of reserve funds to support ongoing operating expenses creates an unbalanced budget and should be restricted to times of significant enough fiscal stress where the alternatives cause greater damage to the school district. We have not found it necessary to budget use of this reserve to support some Teachers Retirement System employer contribution costs. Should this be necessary, it would be with board authorization to withdraw the funds only if required by the end of the fiscal year.

Funding level – The current funding level is sufficient to support a budgetary appropriation of the amount in the 2019-2020 budget for 1 year. The limit on the amount of money that may be kept on deposit in the reserve is five (5) years of Employers Contribution Expense. The District is limited to annual contributions of one year of expense. In the interest of long term financial stability of the District, the Board of Education will continue to fund this reserve to the extent that surplus funds are available for this purpose.

Expenditures – Our practice has been to authorize by budgetary appropriation and provide discretion in use of the appropriation by annual Board of Education resolution.

Duration – No limit.

Other Uses of Funds – Transfers from or back to other reserve funds require a public hearing with 15 days notice published in the official newspaper.

Accounting – This reserve is accounted for in the General Fund.

03/31/20 Balance: \$80,604.37

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## ***RESERVE FOR DEBT***

Creation – This reserve is not specifically created by the District. It contains all funds on deposit in the Debt Service Fund. Information in this section about transactions refers to the Debt Service Fund, not to the Reserve for Debt.

Authorization – Uniform System of Accounts (Office of the State Comptroller).

Purpose – Debt payments are made from the Debt Service Fund. Bond premiums and interest on money borrowed for capital construction projects are deposited here by law.

Funding Methods – The reserve is the entire balance of the Debt Service Fund which may come from interfund transfers for the General Fund, construction period interest revenue from the Capital Fund and bond premiums.

Our Use of Reserve – Funds necessary to make debt service payments are budgeted in the General Fund, then transferred to the Debt Service Fund to make those payments.

Funding Level – There are no specific rules that set the total amount of money that may remain on deposit at any one time. Unplanned use of existing Debt Service Fund balances to make bond payments could raise questions about the fiscal health of the District.

Expenditures – All expenditures are for debt service and related transactions and are made from the Debt Service Fund, not from the reserve.

Duration – No limit.

Accounting – This reserve is accounted for in the Debt Service Fund.

03/31/20 Balance: \$124,060.38

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## **SCHOOL LUNCH FUND BALANCE**

Note: The School Lunch Fund balance is not a reserve but is equally important in the District's financial planning.

Authorization – Uniform System of Accounts (Office of the State Comptroller).

Purpose – School food service program expenditures must be accounted for in the School Lunch Fund. Fund balance is the accumulated surplus of fund activities.

Funding Methods – Revenues come primarily from sales of food and federal and state reimbursement for lunches served. Any subsidy from the General Fund requires voter approval.

Our Use of Reserve – The fund balance is a hedge against future operating losses or the need for equipment purchases.

Funding Level – Once the school lunch fund balance equals three months or more of operating expenses a plan must be developed for its use. There is no statutory limit on the size of the fund balance.

Expenditures – Normal expenditures for food service program activities are made in accordance with statutes, regulations and District policies.

Duration – No limit.

Other Uses of Funds – The General Fund may assess an indirect cost charge to the School Lunch Fund. To protect the financial integrity of the program we have not done this in the past.

Accounting – This fund balance is accounted for in the School Lunch Fund.

06/31/19 Balance: \$0.00

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## **UNASSIGNED FUND BALANCE**

Note: Unassigned fund balance is not a reserve but is equally important to the District's financial planning.

Creation – Retention of these funds are allowed by law.

Purpose – These funds are unrestricted and may be used for any ordinary, contingent expense.

Funding Methods – These funds have been accumulated from surpluses in the operating budget.

Use of Funds – It is recommended that these funds not be used except for an emergent, unanticipated expenses, or revenue shortfall, that cannot be handled either in the budget or with other available reserves.

Funding Level – The maximum legal limit is recommended (4% of the ensuing budget). In an April 2011 accounting bulletin the Office of the State Comptroller addressed the calculated of this limit as follows: "Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to more than 4 percent of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4 percent limitation. In the context of previous fund balance reporting, an unexpended surplus was interpreted to be synonymous with unappropriated unreserved fund balance. Under Statement 54 fund balance classifications, the 4 percent limitation would be interpreted to be applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance." **It should be noted that, while GML recommends 4%, the Board of Education of the District does not feel that 4% is appropriate for a District the size of Alexandria CSD. Therefore, the Board of Education recommends a level between 10-15%.**

Expenditures – Unassigned fund balance must be appropriated by Board of Education resolution and then expended through the General Fund budget.

Accounting – The unassigned fund balance is accounted for in the General Fund.

06/30/19 Balance: \$1,752,003.57

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## ***ASSIGNED FUND BALANCE – APPROPRIATED FOR SUBSEQUENT YEARS***

Note: Assigned fund balance is not a reserve but is equally important to the District's financial planning.

Creation – These funds are actually fund balance that have been set aside for a particular purpose, namely to reduce the tax levy required to support an ensuing years budget.

Purpose – These funds are set aside and returned to the community by lowering the required tax levy to support the district's budget.

Funding Methods – Surplus fund balance from the General Fund.

Use of Funds – It is recommended that the practice of using these funds to reduce the property tax levy be curtailed over time as the operating surpluses from which they are created are reduced. Done properly, this should have no net impact on tax levies.

Funding Level – Since this is a nonrecurring revenue, it is desirable to reduce the budget's reliance on it.

Accounting – The unassigned fund balance is accounted for in the General Fund.

06/30/19 Balance: \$925,000