



Required Reserve Analysis

Budget Hearing for FY2021 Annual Budget



Required Reserve per Budget Policies

*Finance &
Administrative
Services*

- **Minimum of 29% of the current fiscal year appropriation**
- **FICA and IMRF funds require minimum of 12%**
- **Risk Management & Liability Insurance Fund requires minimum of 12% PLUS the professionally-performed actuarial risk reserve calculation**



Required Reserve Calculation

*Finance &
Administrative
Services*

FY19 Audited Ending Fund Balance	FY20 Adopted Budget	Minimum 29% Contingency	+ 12% Reserve for FICA, IMRF, Risk and Risk Reserve	+ Carryovers and Long Term Capital Funding Reserve	= Total Required Reserve
\$178,273,934	\$369,560,321	\$96,386,213	\$16,416,674	\$59,750,349	\$172,553,236

Amount in Excess of Required Minimum Reserve of 29%: **\$5,720,698**



Designation of Excess Undesignated Reserves Above 29% Minimum

*Finance &
Administrative
Services*

Per Budget Policies:

- Funding future capital projects
- Funding other one-time expenditures
- Maintaining reserves above the 29% minimum
 - If all funds were left in reserves → 30.7%
- Any combination of these options
- Other factors to consider:
 - FY2020 is projected to end relatively balanced, +/- \$5 million, with the inclusion of eligible CARES Act reimbursements
 - FY2021 projected revenues assume mild continued growth. If revenues underperform, expenses will again need to be reduced as in FY2020.
 - Uncertainty of State budget and impact on local distributions



Questions?