Calculating Ending Reserve Balances

Calculating end of year reserves is necessary to balance the final expenditure reports and determine reserve amounts as of June 30 each year. Below are the steps needed to determine the reserve balances.

1. Calculate ending fund balance or reserves in all funds and in all 142 sub-funds (34555 federal, 34570 school nutrition, 34585 capital outlay, 39000 general-unassigned).
2. General formula to calculate reserves:

   Beginning of year reserve balance (credit balance-positive, debit balance-negative)
   + Year to date revenue
   + Transfers in (if any)
   - Expenditures (including encumbrances)
   - Transfers out (if any)
   = End of year reserve (credit balance-positive, debit balance-negative)

3. Career Ladder: reserve account #34560

   Beginning of year reserve balance (credit balance-positive, debit balance-negative)
   + Year to date revenue in 46610 (Do not include CEO Supplement)
   - Career ladder paid (object code 117) x 1.1342 benefit rate (full time personnel only)
   - Career ladder paid x 1.0145 Medicare rate (retired personnel only)
   = End of year reserve (credit balance-positive, debit balance-negative)

   Journal entry to adjust reserve—calculate variance between beginning of year reserve balance and end of year reserve balance using reserve accounts 34560 and 39000.

4. Ending fund balance and reserves amounts are entered in the End of Year equity section the Balance Sheet in ePlan.