



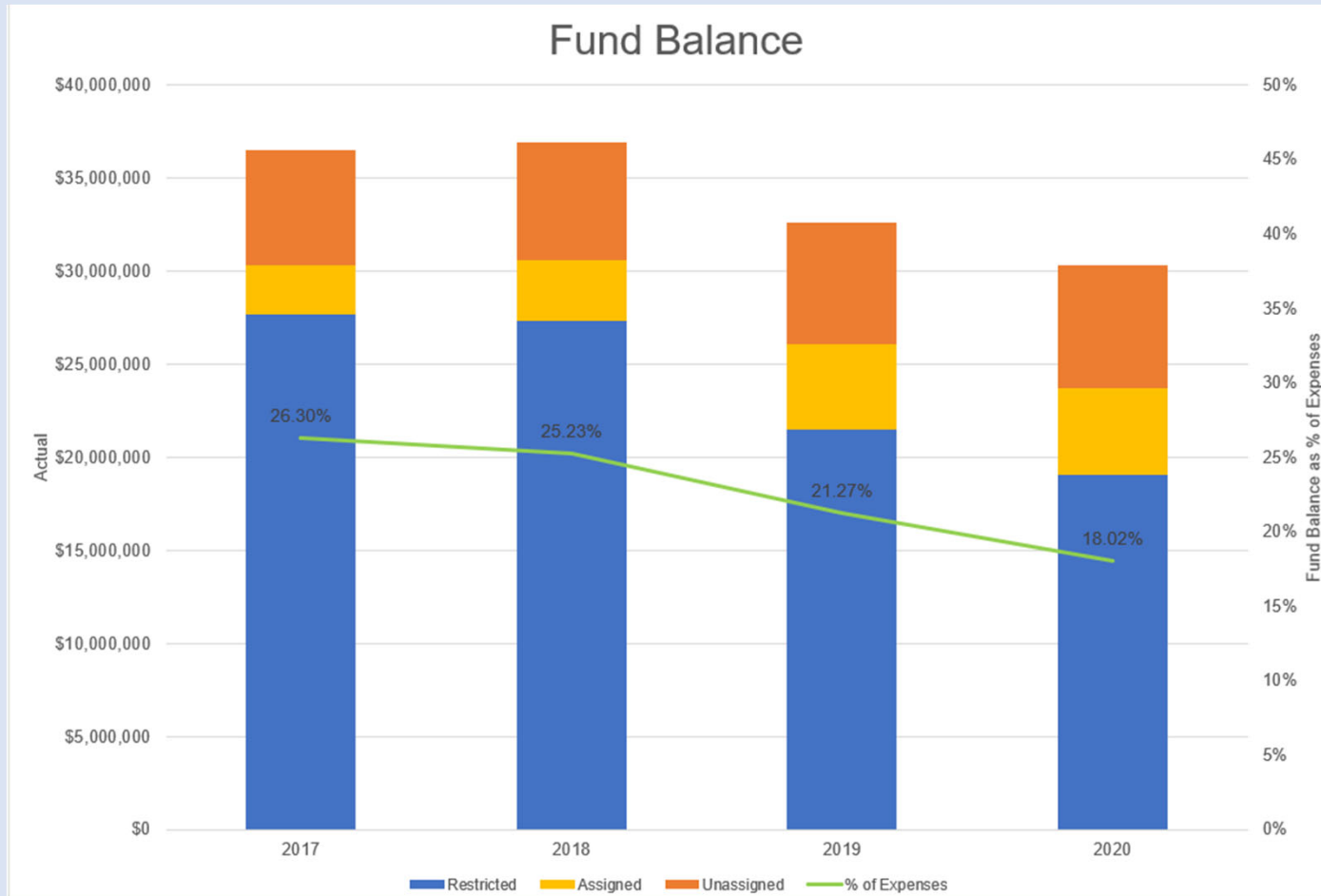
***LIGHTING THE
WAY FORWARD***

Plainview-Old Bethpage CSD 2021-2022

District Reserve Plan

June 21, 2021

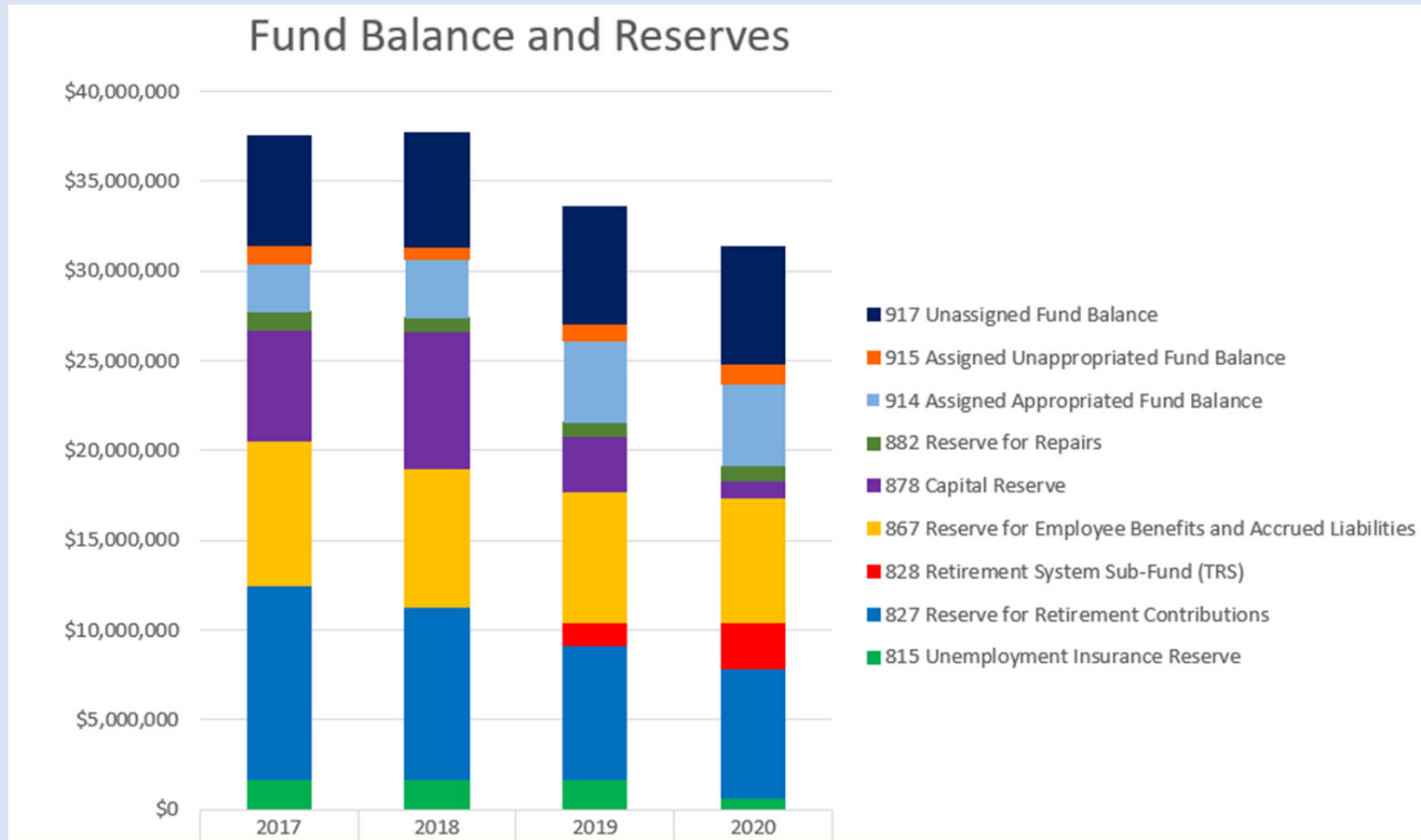
Fund Balance by Type and Percentage



Fund Balance and Reserve History

	2017	2018	2019	2020
■ 917 Unassigned Fund Balance	\$6,087,873	\$6,286,655	\$6,494,315	\$6,569,944
■ 915 Assigned Unappropriated Fund Balance	\$1,054,314	\$754,285	\$934,693	\$1,045,176
■ 914 Assigned Appropriated Fund Balance	\$2,658,000	\$3,258,623	\$4,546,175	\$4,661,236
■ 882 Reserve for Repairs	\$1,001,297	\$762,854	\$769,339	\$771,262
■ 878 Capital Reserve	\$6,205,521	\$7,623,521	\$3,033,975	\$951,161
■ 867 Reserve for Employee Benefits and Accrued Liabilities	\$8,060,508	\$7,644,114	\$7,309,089	\$6,923,473
■ 828 Retirement System Sub-Fund (TRS)	\$0	\$0	\$1,267,098	\$2,564,749
■ 827 Reserve for Retirement Contributions	\$10,737,092	\$9,627,596	\$7,484,131	\$7,230,763
■ 815 Unemployment Insurance Reserve	\$1,711,719	\$1,691,854	\$1,681,235	\$642,438

Fund Balance and Reserve History



Plainview-Old Bethpage Reserves

Reserve for Retirement Contributions

6/30/2020 Balance ERS = \$7,230,763

TRS = \$2,564,749

Creation – This reserve was created on June 30, 2008 per GML §6-r.

Purpose – This reserve is used to pay for district expenses to the NYS Employees' Retirement System and, as of July 1, 2019, payments to the Teachers' Retirement System from the reserve sub-fund.

Reserve for Accrued Employee Benefits Liability 6/30/2020 Balance = \$6,293,473

Creation – This reserve was created on June 30, 2008 per GML §6-p.

Purpose – This reserve is used to pay for unused accumulated leave time contractually provided to certain groups of employees. This typically includes payment for unused sick and vacation pay.

*GML = General Municipal Law

Plainview-Old Bethpage Reserves

Reserve for Unemployment Insurance

6/30/2020 Balance = \$642,438

Creation – This reserve was created on June 30, 2010 per GML §6-m.

Purpose – This reserve is used to reimburse the State for payments made to claimants where the district uses the benefit reimbursement method.

After the close of the 2018-2019 fiscal year, the Board of Education authorized the transfer of \$1,200,000 from the Reserve for Unemployment to Capital Reserve Fund IV.

Plainview-Old Bethpage Reserves

Repair Reserve 6/30/2020

Balance = \$771,262

Creation – This reserve was approved on May 21, 2013 via voter approval per GML §6d.

Purpose – This reserve is used to pay for unanticipated, non-recurring repairs to district capital improvements, facilities and equipment.

Capital Reserve Fund I – 2010 6/30/2020

Balance = \$192,965

Creation – This reserve was created on May 18, 2010 via voter approval per Ed. Law §3651.

Purpose – This reserve is used to pay the cost of any object or purpose consistent with the original voter approved proposition.

Plainview-Old Bethpage Reserves

Capital Reserve Fund III – 2015

6/30/2020 Balance = \$12,556

Creation – This reserve was created on May 19, 2015 via voter approval per Ed. Law §3651.

Purpose – This reserve is used to pay the cost of any object or purpose consistent with the original voter approved proposition.

Capital Reserve Fund IV – 2017

6/30/2020 Balance = \$745,640

Creation – This reserve was created on May 16, 2017 via voter approval per Ed. Law §3651.

Purpose – This reserve is used to pay the cost of any object or purpose consistent with the original voter approved proposition.

NEW

Plainview-Old Bethpage Reserves

Reserve for Tax Reduction

To be authorized on June 21, 2021

Creation – This reserve will be created on June 21, 2021 as per Section 1709(37) of the N.Y. Education Law

Purpose – This reserve is all for the gradual use of proceeds from the sale of district real property.



S&P “AAA” Bond Rating June 4, 2021



S&P Global
Ratings

Credit Profile

US\$6.0 mil sch dist serial bnds ser 2021 dtd 06/04/2021 due 06/15/2036

<i>Long Term Rating</i>	AAA/Stable	New
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Plainview-Old Bethpage Cent Sch Dist sch dist serial bnds

<i>Long Term Rating</i>	AAA/Stable	Affirmed
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<i>Underlying Rating for Credit Program</i>	NR	
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Plainview-Old Bethpage Cent Sch Dist sch dist serial bnds

<i>Long Term Rating</i>	AAA/Stable	Affirmed
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S&P “AAA” Bond Rating

June 4, 2021



S&P Global
Ratings

Advanced management team, with proactive forward-looking planning strategies

Management has a strong focus on financial planning, evidenced by a four-year forecast improvement plan it updates twice annually, which is supported by conservative assumptions regarding annual revenues and expenditures.

Management budgets conservatively, using at least three-to-five years of historical trends. It monitors budget-to-actual results and makes monthly reports to the board. Furthermore, the district is deliberate in its management and use of reserves, with formalized practices to allow for their appropriation subject to voter and board approval, with the informal goal to sustain total fund balances between 20%-25%, which it has done historically. The district uses the mandatory building survey to review facility improvements and has a formalized investment policy; it monitors investments regularly and presents holdings and returns to the school board monthly.

S&P “AAA” Bond Rating

June 4, 2021

S&P Global
Ratings



It should be noted that the use of reserves follows a formalized process which requires voter approval, which the district has successfully garnered for various projects over the last four years; specifically, the board reviews the allocation of the district's surplus to reserves every year and affirms the annual reserve plan, whereby reserves and assigned fund balances are used to moderate and smooth local revenue growth.

Stable Outlook

Downside scenario

We could lower the rating if the district's reserves weaken following sustained deterioration of operating performance, leading to material draws on reserves.

Maximum Reserve Recommendation as of June 30, 2021

RECOMMENDATION:

The Board of Education reaffirm the following and approve the district Reserve Fund Plan:

- 1) Retirement Contribution Reserve for a maximum not to exceed \$11,128,334 plus interest
 - 1a) Retirement Contribution Sub-Fund for a maximum not to exceed \$3,867,691 plus interest
- 2) Employee Benefit Accrued Liability Reserve for a maximum not to exceed \$9,072,227 plus interest
- 3) Unemployment Insurance Payment Reserve Fund for a maximum not to exceed \$642,438 plus interest
- 4) Repair Reserve Fund for a maximum not to exceed \$771,262 plus interest
- 5) Capital Reserve Fund 2010 for a maximum not to exceed \$192,965 plus interest
- 6) Capital Reserve Fund 2015 for a maximum not to exceed \$12,556 plus interest
- 7) Capital Reserve Fund 2017 for a maximum not to exceed \$3,000,000 plus interest
- 8) Reserve for Tax Reduction to be established in anticipation of the closing of the sale of Fern Place. All proceeds of the sale will go into this reserve to be used within 10 years.

*A Smart Investment
Thank You!*

