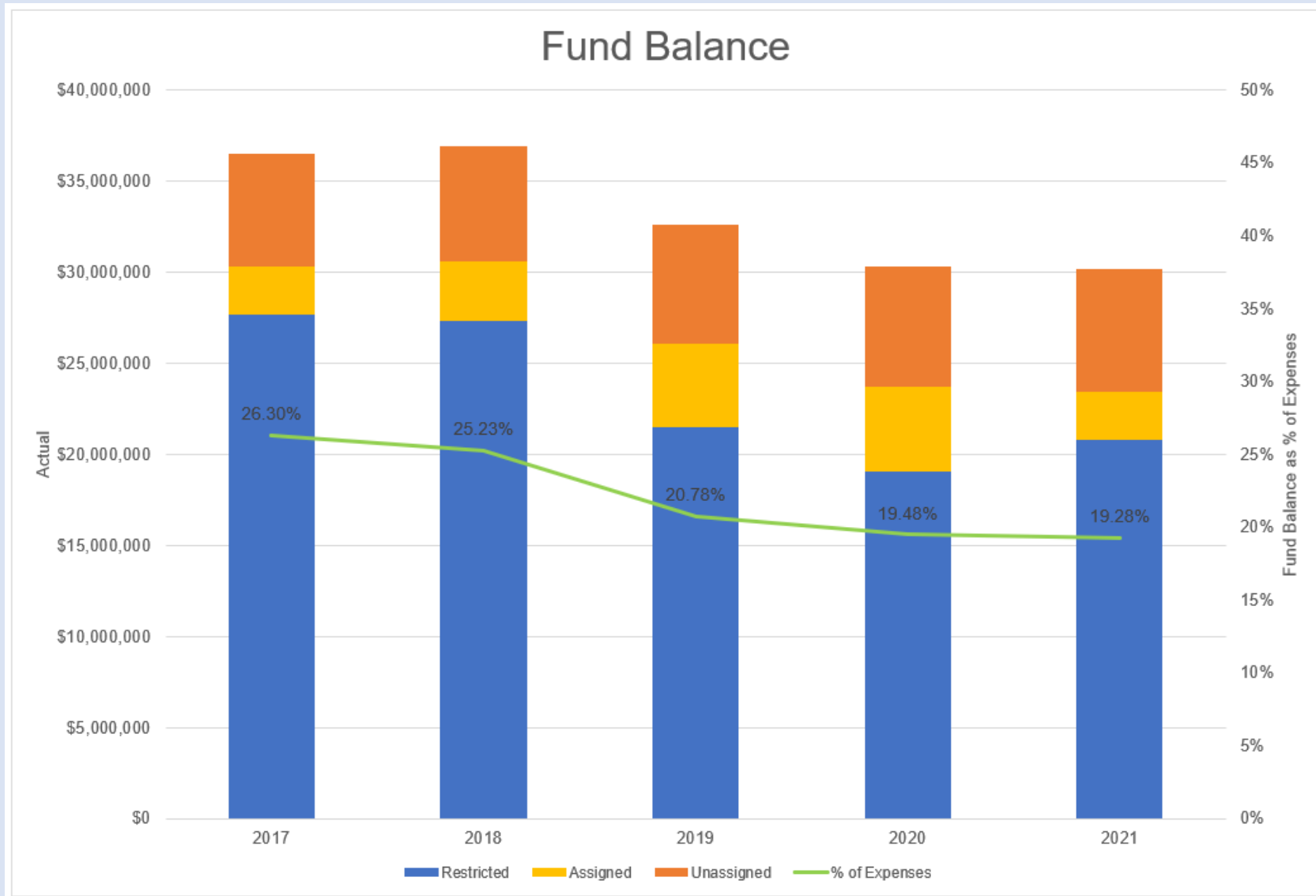


Plainview-Old Bethpage CSD 2022 - 2023
District Reserve Plan
June 21, 2022



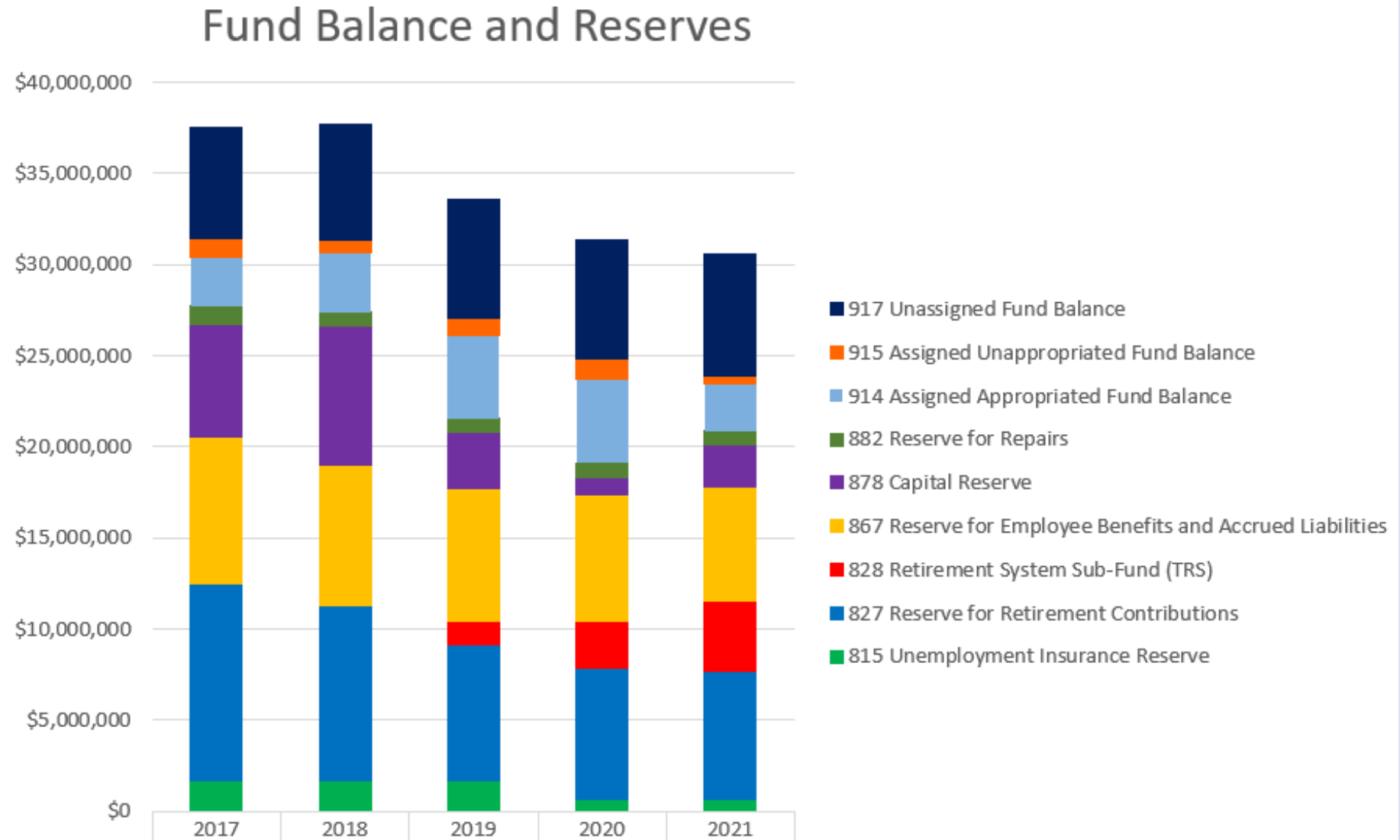
Fund Balance by Type and Percentage



Fund Balance and Reserve History

	2017	2018	2019	2020	2021
■ 917 Unassigned Fund Balance	\$6,087,873	\$6,286,655	\$6,494,315	\$6,569,944	\$6,725,686
■ 915 Assigned Unappropriated Fund Balance	\$1,054,314	\$754,285	\$934,693	\$1,045,176	\$409,888
■ 914 Assigned Appropriated Fund Balance	\$2,658,000	\$3,258,623	\$4,546,175	\$4,661,236	\$2,600,000
■ 882 Reserve for Repairs	\$1,001,297	\$762,854	\$769,339	\$771,262	\$773,190
■ 878 Capital Reserve	\$6,205,521	\$7,623,521	\$3,033,975	\$951,161	\$2,253,026
■ 867 Reserve for Employee Benefits and Accrued Liabilities	\$8,060,508	\$7,644,114	\$7,309,089	\$6,923,473	\$6,258,523
■ 828 Retirement System Sub-Fund (TRS)	\$0	\$0	\$1,267,098	\$2,564,749	\$3,867,690
■ 827 Reserve for Retirement Contributions	\$10,737,092	\$9,627,596	\$7,484,131	\$7,230,763	\$7,055,571
■ 815 Unemployment Insurance Reserve	\$1,711,719	\$1,691,854	\$1,681,235	\$642,438	\$644,044

Fund Balance and Reserve History



Plainview-Old Bethpage Reserves

Reserve for Retirement Contributions

6/30/2021 Balance ERS = \$7,055,571

TRS = \$3,867,690

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 **6/30/2021 Balance = \$6,258,523**

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

6/30/2021 Balance = \$644,044

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 6/30/2021

Balance = \$773,190

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 6/30/2021

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

6/30/2021 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

6/30/2021 Balance = \$2,047,505*

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.

*Estimated balance at 6/30/2022 is \$43,624

Plainview-Old Bethpage Reserves

Capital Reserve Fund V - 2022

Creation – This reserve was created on May 17, 2022 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

Reserve for Tax Reduction

8/02/2021 Balance = \$2,856,909

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 for the gradual use of proceeds from the sale of district real property.

Insurance Reserve

To be authorized on June 21, 2022

Creation – This reserve may be created on June 21, 2022 as per GML §6-n.

Purpose – This reserve is to pay for liability claims incurred.

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

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, 2022

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 \$11,716,193 plus interest
 - 1a) Retirement Contribution Sub-Fund for a maximum not to exceed \$5,261,064 plus interest
- 2) Employee Benefit Accrued Liability Reserve for a maximum not to exceed \$8,898,402 plus interest
- 3) Unemployment Insurance Payment Reserve Fund for a maximum not to exceed \$644,044 plus interest
- 4) Repair Reserve Fund for a maximum not to exceed \$773,190 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 \$43,624 plus interest
- 8) Capital Reserve Fund 2022 for a maximum not to exceed \$5,000,000 plus interest
- 9) Reserve for Tax Reduction for a maximum not to exceed \$2,856,909. All proceeds of the sale must be used by July 30, 2031.
- 10) Insurance Reserve for a maximum not to exceed \$1,500,000 plus interest



Questions?



*A Smart Investment.
Thank You!*

