

# **NORTH SHORE CSD**

## **STATUS OF DISTRICT RESERVES as of JUNE 30, 2020 -Updated 11-06-2020**

Reserve funds are an important planning tool generally used by local governments and school districts to save for future needs and other allowable purposes. They are mainly used for non-recurring or unforeseen expenditures. They help to plan, maintain a degree of financial stability and provide for unanticipated increases in operational expenses. Reserve funds can also be used during difficult economic times to balance budgets and to avoid cuts in services.

All reserve funds in the North Shore Central School District have specific intended purposes and requirements. These requirements include a general description, duration, maximum total balance permitted, maximum annual contribution, referendum requirement for establishment if applicable and the procedure for dissolving any remaining balances in a reserve.

The District's Business Office keeps separate accounting records for each reserve fund. The amounts in each reserve fund is invested and the interest earned is credited to the reserve. The balances below reflect the funding as well as interest earned in each reserve fund through June 30, 2020.

*Please note that these reserves reflect balances as of 6/30/2020 as well as the amounts appropriated by the Board of Education to reduce the 2020-21 tax levy. Please refer to the district's 2018-19 and 2019-20 audited financial statements, page 9/10, for further details.*

### **Summary Data**

The summary of reserve funds and balances maintained by the North Shore Central School District are as follows:

### **Summary of all Reserves / Restricted Reserves**

	Beginning Balance 7/1/2019	Designated at the end of 2019-20 to Reduce Tax Levy and other uses	Interest Earned through 6/30/2020	Increase in Reserves from 7/1/2019 through 6/30/2020	Balance as of 6/30/2020	Designated to Reduce 2020-21 Tax Levy and other uses.  This adjustment will occur at the end of the fiscal year-6/30/2021
Workers' Compensation Reserve	2,072,064.53	*(92,359.38)	38,788.91		2,018,494.06	
Unemployment Reserve	1,621,806.67		30,936.89		1,652,743.56	
TRS Reserve	592,393.50		8,836.92		601,230.42	
ERS-Retirement Contribution Reserve	7,297,296.46	** (1,200,000.00)	137,278.52		6,234,574.98	** (1,200,000.00)
Liability Reserve	111,133.73		2,119.95		113,253.68	
Employee Benefit Accrued Liability Reserve	344,632.23		6,528.21		351,160.44	
Capital Reserve -Established on May 17, 2016	3,158,487.36	*** (3,000,000.00)	105,525.01		264,012.37	
Repair Reserve	1,130,508.01	**** (25,339.00)	21,327.23		1,126,496.24	
<b>Total Restricted Fund Balance</b>	<b>\$16,328,322.49</b>	<b>(4,317,698.38)</b>	<b>\$351,341.64</b>		<b>\$12,361,965.75</b>	<b>(1,200,000.00)</b>

\* \$92,359.38 Approved by the Board during 2019-20 to pay workers' compensation claims

\*\* \$1,200,000.00 used to reduce both 2019-20 and 2020-21 Tax Levies.

\*\*\* \$3,000,000.00 Voter approved to fund the renovation of the Middle School Girls and Boys Locker Rooms

\*\*\*\* \$25,339.00 -Board approved for fire alarm repairs at the Glenwood Landing School

## Assigned Fund Balance from Tax Certiorari Reserve and Special Grant from NYS (LIPA)

	Beginning Balance 7/1/2019	Designated at the end of 2019-20 to Reduce 2020-21 Tax Levy			Balance as of 6/30/2020	
From Closed Tax Cert Reserve	2,504,398.53				2,504,398.53	
Tax Cert Reserve Designated to Reduce Levy in 18/19	(350,000.00)				(350,000.00)	
Tax Cert Reserve Designated to Reduce Levy in 19/20	(500,000.00)				(500,000.00)	
Tax Cert Reserve Designated to Reduce Levy in 20/21		(500,000.00)			(500,000.00)	
From NYS Senate and Assembly 13/14	2,500,000.00				2,500,000.00	
From NYS Senate and Assembly 14/15	2,900,000.00				2,900,000.00	
<b>LIPA Grant</b> Designated to Reduce Levy in 2014-15	(169,518.75)				(169,518.75)	
<b>LIPA Grant</b> Designated to Reduce Levy in 2015-16	(600,000.00)				(600,000.00)	
<b>LIPA Grant</b> Designated to Reduce Levy in 2016-17	(1,000,000.00)				(1,000,000.00)	
<b>LIPA Grant</b> Designated to Reduce Levy in 2017-18	(1,000,000.00)				(1,000,000.00)	
<b>LIPA Grant</b> Designated to Reduce Levy in 2018-19-LIPA	(800,000.00)				(800,000.00)	
<b>LIPA Grant</b> Designated to Reduce Levy in 2019-20-LIPA	(600,000.00)				(600,000.00)	
<b>LIPA Grant</b> Designated to Reduce Levy in 2020-21-LIPA		(73,516.26)			(73,516.26)	
<b>Total LIPA and Tax Cert Remaining</b>	<b>2,884,879.78</b>	<b>573,516.26</b>			<b>2,311,363.52</b>	

### Assigned Fund Balance and Reserve for Encumbrances

	Beginning Balance 7/1/2019	Fund Balance Used in 2019-20	Designated at the end of 2019-20 Budget to Reduce 2020-21 Tax Levy and Encumbrances Carried Over	Designated LIPA/Tax Cert See Above to Reduce 2020-21 Tax Levy/Prof Dev and Reopening Expenses	Balance as of 6/30/2020	
Assigned Fund Balance from Regular Budget and Special Legislative Grant/Tax Cert	2,300,000.00	(2,300,000.00)	1,068,900.58	573,516.26	1,642,416.84	
Assigned Fund Balance for COVID Related Expenses and Re-opening schools				2,700,000.00	2,700,000.00	
Assigned Fund Balance for Professional Development				200,000.00	200,000.00	
Assigned Encumbrances	1,660,895.37	(1,660,895.37)	2,488,621.17		2,488,621.17	
<b>Total</b>	<b>3,960,895.37</b>	<b>(3,960,895.37)</b>	<b>3,557,521.75</b>	<b>3,473,516.26</b>	<b>7,031,038.01</b>	

### Unassigned Fund Balance - (this represents 4% of 2020-21 budget)

Description	Beginning Fund Balance 7/1/2019	Designated to Adjust Unassigned Fund Balance in 2019-20			Ending Fund Balance 06/30/20	
Unassigned Fund Balance-4% of subsequent year's budget	4,311,997.44	(64,513.43)			4,247,484.01	

### Workers' Compensation Reserve: \$2,018,494.06

Description	Date	Amount
Date Established and Initial Funding	6/30/1998	150,000.00
Second Funding-BOE Allocation of Fund Balance	6/30/2003	300,000.00
Third Funding-BOE Allocation of Fund Balance	6/30/2005	100,000.00
Fourth Funding-BOE Allocation of Fund Balance	6/30/2011	877,983.44
Fifth Funding-BOE Allocation of Fund Balance	6/30/2012	532,635.06
		<b>\$1,960,618.50</b>
<b>Workers Compensation Claims Paid in 2019-20</b>		<b>(92,359.38)</b>
Interest Earned to Date	6/30/2019	150,234.94
<b>Ending Balance as of 6/30/2020</b>		<b>\$2,018,494.06</b>

The Workers' Compensation Reserve was established on June 30, 1998 by the Board of Education. This reserve is authorized by Article 2 of the Workers' Compensation Law, to pay claims for injuries sustained on the job by district employees. The district is self-insured for Workers' Compensation. The reserve is used to pay lump-sum awards granted by the Workers' Compensation Board or to settle large claims. It is funded by budgetary appropriations or other funds that may be legally appropriated including balances remaining in the budget at the end of the fiscal year. Appropriation from this reserve can be made without voter approval. This reserve is accounted for in the General Fund. The reserve is also used if needed, to supplement the amount budgeted in the General Fund to cover the cost of the district's Workers' Compensation claims.

Two forms of payment are made directly for Workers' Compensation claims: medical expenses and indemnity payments. The indemnity payments replace salaries for injured employees. The Workers' Compensation Board determines the amount which each injured employee receives, based on the level of the injury reported to them, up to a maximum of \$904.74 per week effective July 1, 2020.

There are currently six (6) former employees who have been approved by the Workers' Compensation Board to receive indemnity payments and reimbursement for medical expenses due to partial or permanent disabilities from various injuries sustained on North Shore Central School District properties. A Third-Party Administrator (TPA) hired by the District reviews all indemnity and medical claims before they are processed. A review is also made periodically by the TPA to determine whether it is beneficial to pay a lump sum to settle the current and projected claims.

Because the District is self-insured for Workers' Compensation, it is also required to maintain an Excess Workers' Compensation Policy. The Excess Workers' Compensation Policy caps the district's exposure to a Self-Insured Retention (SIR) limit. The SIR for the 2020-21 fiscal year is \$650,000. This limit is "Statutory" no matter how large the claim is, the district is covered for all payments exceeding \$650,000. The SIR is a "per occurrence" deductible. For example, if three employees are in a vehicle for work related business and they are involved in an accident, it would be considered one occurrence and the deductible for all three employees would remain at \$650,000. Without this policy, the District would be responsible for the entire amount of any occurrence, no matter how large.

In addition, the District obtains an actuarial study biennially, to determine whether the reserve is adequately funded to cover current and future Excess Workers' Compensation claims. The most recent actuarial study as of June 30, 2019, estimates future claims payable at \$1,547,110.00.

The Board approved the use of the reserve to pay \$92,359.38 in medical bills for an employee who sustained a job related injury.

#### **Liability Reserve: \$113,253.68**

<b>Description</b>	<b>Date</b>	<b>Amount</b>
Date Established and Initial Funding	06/30/1998	100,000.00
Interest Earned to Date	06/30/2020	13,253.68
<b>Ending Balance as of 6/30/2020</b>		<b>\$113,253.68</b>

The Liability Reserve is used to pay for property loss and liability claims incurred. The amount in the reserve cannot exceed 3% of the annual budget or \$15,000.00 whichever is higher. The reserve may be established by Board of Education action and is funded through budgetary appropriation. There is no referendum required to establish the reserve and expenditures can be made without voter approval.

The District's Liability Reserve was set up at the end of the 1997-98 fiscal year to hedge against losses arising from the decommissioning of the Glenwood Landing Plant by KeySpan Gas East Corporation in the spring of 1999. This issue is ongoing.

### **Unemployment Insurance Reserve: \$1,652,743.56**

<b>Description</b>	<b>Date</b>	<b>Amount</b>
Date Established and Initial Funding	06/30/1998	50,000.00
Second Funding-Transfer from ERS Reserve	06/30/1998	81,419.00
Third Funding-BOE Allocation of Fund Balance	06/30/2011	887,981.00
Fourth Funding-BOE Allocation of Fund Balance	06/30/2012	524,469.05
<b>Total Funding</b>		<b>\$1,543,869.05</b>
Interest Earned to Date	06/30/2020	108,874.51
<b>Ending Balance as of 6/30/2020</b>		<b>\$1,652,743.56</b>

The Unemployment Insurance Reserve is used to provide funding for unemployment claims. The District is self-insured for unemployment insurance. The New York State Department of Labor sets the limit on the amount each claimant receives and pays the claims to the claimants. The District reimburses the State Unemployment Insurance Fund for payments made to claimants every quarter.

The reserve was established by a Board of Education resolution and is funded through budgetary appropriation. Appropriations from the reserve can be made without voter approval. The amount in the reserve was increased in the 2010-11 and 2011-12 fiscal years to cover additional claims from employees who were laid off during the recession.

### **Employee Benefit Accrued Liability Reserve: \$351,160.44**

<b>Description</b>	<b>Date</b>	<b>Amount</b>
Date established and initial funding	06/30/2005	\$770,488.03
Transfer to General Fund – Certified by NYS Comptroller	06/30/2010	(655,413.00)
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2012	119,986.26
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2013	26,443.00
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2014	34,737.65
Adjustment for Benefits Paid	06/30/2015	(14,844.74)
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2016	1,791.28
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2017	(3,667.04)
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2018	(11,359.20)
To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2018	16,759.06
Adjustment for Benefits Paid	06/30/2018	(5,613.00)
Adjustment for Benefits Paid	06/30/2019	(5,613.80)



To Fund Accrued Sick Time and Vacations-Secretaries and Custodians-per contract	06/30/2019	10,158.04
Interest Earned to Date	06/30/2020	67,307.90
<b>Ending Balance as of 6/30/2020</b>		<b>\$351,160.44</b>

The Employee Benefit Accrued Liability Reserve (EBALR) is used to provide funding to pay the monetary value of accumulated but unused vacation time of employees when they separate from service or retire. It can also be used to pay a reasonable cost to administer the reserve, professional services as well as adjustments and settlement of claims related to accrued employee benefits. It is created through Board of Education action and may be funded through budgetary appropriation or Board action. A referendum is not required to expend funds from the reserve.

In 2011-12 the New York State Budget was amended to allow school districts to withdraw amounts that exceeded the permissible limit in their (EBALR) as of June 30, 2010, the measurement date. The amount, which exceeded the permissible limit for North Shore, was \$655,413. This amount was certified by the State Comptroller's Office and transferred into the District's General Fund, unassigned fund balance on June 30, 2011.

The balance in the reserve is the total of accrued but unpaid vacation time of the District's custodial and clerical staff as of June 30, 2020. All custodial and clerical employees earn their vacation throughout the year, per their respective collective bargaining agreements, but are required to take them after the close of the fiscal year. All other units do not carry over used vacation time.

### **Repair Reserve: \$1,126,496.24**

<b>Description</b>	<b>Date</b>	<b>Amount</b>
<b>Date Established and Initial Funding</b>	03/01/2007	<b>\$4,840,200.00</b>
<b>Reduction-Amount Transferred from the Repair Reserve into Capital Reserve</b>	03/27/2008	<b>(2,608,522.00)</b>
<b>Total Initial Funding</b>		<b>\$ 2,231,678.00</b>
<b>Projects Funded with the Repair Reserve</b>		
Glen Head-Electrical Feed	06/19/2008	<b>(150,105.00)</b>
Sea Cliff-Concrete Pediment in Front of the Auditorium	06/19/2008	<b>(29,500.00)</b>
High School-Court Yard Concrete Repairs	06/19/2008	<b>(20,000.00)</b>
High School-Boiler Sump Pump	06/19/2008	<b>(8,000.00)</b>
Glen Head-Abate and Replace Roof Over Small Boiler Room	07/23/2009	<b>(10,487.00)</b>
Sea Cliff-Abate Asbestos Transite Panels	07/23/2009	<b>(7,696.00)</b>
High School-Abate and Replace Asbestos Tiles in 11 Classrooms	07/23/2009	<b>(1,682.00)</b>
District-Wide- Asphalt and Concrete Work	07/23/2009	<b>(128,300.00)</b>
Glen Head-Auditorium Rigging	05/05/2011	<b>(12,700.00)</b>
Glenwood Landing-Auditorium Rigging	05/05/2011	<b>(35,000.00)</b>
Sea Cliff-Auditorium Rigging	05/05/2011	<b>(45,000.00)</b>
Middle School-Auditorium Rigging	05/05/2011	<b>(25,000.00)</b>
High School-Auditorium Rigging	05/05/2011	<b>(305,000.00)</b>
District-Wide Masonry Work	12/15/2011	<b>(500,000.00)</b>
High School Emergency Repairs of School House	08/28/2014	<b>(270,669.00)</b>
High School Emergency Repairs of School House-Funds Returned Due to Lack of Public Hearing	06/30/2015	<b>270,669.00</b>

<b>Project Savings Returned to the Repair Reserve-Bids Lower than Anticipated</b>		
Glen Head Electrical Feed	06/20/2012	90,742.90
District-Wide Auditorium Rigging	06/30/2014	2,567.71
HS Replacement of window frames and two doors	07/05/2017	(125,000.00)
GH GWL & SC Replace/repair window balances	05/31/2018	(46,610.00)
HS-Cafeteria Court Yard Asbestos Abatement and Painting	05/31/2018	(62,943.00)
Repair of Fire Alarm System	9/26/2019	((25,339.00)
Interest Earned to Date	06/30/2020	339,869.63
<b>Ending Balance as of 6/30/2020</b>		<b>\$1,126,496.24</b>

The Repair Reserve is used to pay the cost of non-recurring repairs to capital improvements or equipment. The Board may establish a Repair Reserve without voter approval by a majority vote, however voter approval is required to fund this reserve. A public hearing is required before the Board votes to appropriate funds from the Repair Reserve; voter approval is not required. At least five days must elapse between the publication of the notice of the hearing and the date of the hearing. Funds can be appropriated from a Repair Reserve in an emergency without giving notice and a public hearing. This requires at least two-thirds approval by the Board. At least half of the funds expensed without a public hearing must be replenished in the next fiscal year. The remainder must be repaid by the end of the following fiscal year.

The Repair Reserve can be funded through yearly budgetary appropriations. This can be achieved through annual budgetary appropriations, including a line item in the budget to be voted on by residents or by a proposition presented to voters OSC OP 81-401.

Any remaining funds in the Repair Reserve may be transferred to a Capital Reserve, subject to the public hearing requirement or to a Retirement Contribution Reserve, subject to a public hearing with fifteen days notice.

The North Shore Repair Reserve was established on March 1, 2007 with the retroactive PILOT (Payment in Lieu of Taxes) of \$4,840,200.00 received from LIPA (Long Island Power Authority). On March 27, 2008, the Board of Education approved a resolution to establish the District's Capital Reserve. The referendum was approved by voters in May of 2008. A total of \$2,608,522 was transferred from the Repair Reserve to initially fund the Capital Reserve. This left a balance of \$2,231,678 in the repair reserve at the end of 2008.

The table above shows the year to date expenses from the Repair Reserve and the remaining balance as of June 30, 2020. On September 26, 2019 the Board appropriated \$30,000.00 to repair the fire alarm system at the Glenwood Landing School. The amount expended for the projects was \$25,339.00. This is reflected in the table above.

**Capital Reserve: \$8,500,000.00-Established on May 17, 2016.**

**Available Balance as of 6/30/2020 \$264,012.37**

**Maximum Amount of Funding Approved by Voters - \$ 8,500,000.00**

**Phase (1) Projects-Amount Approved by Voters for Phase (1) Projects on May 15, 2018  
\$3,443,911.91**

School	Project Description	Estimated Cost	Phase
GH	Air Condition Library Space- <b>Completed</b>	324,600.00	<b>Phase 1</b>
GH	Air Condition Cafeteria Space- <b>Completed</b>	258,700.00	<b>Phase 1</b>
GWL	Air Condition Auditorium Space- <b>Completed</b>	310,400.00	<b>Phase 1</b>
GWL	Air Condition Library Space- <b>Completed</b>	236,700.00	<b>Phase 1</b>
SC	SC-Air Condition Cafeteria Space- <b>Completed</b>	207,000.00	<b>Phase 1</b>
MS	Air Condition Cafeteria Space- <b>Completed</b>	617,900.00	<b>Phase 1</b>
HS	Air Condition Gym Space- <b>Completed</b>	1,019,400.00	<b>Phase 1</b>
HS	Replace Entire cafeteria Ceiling and Install New LED Lights- <b>Completed</b>	202,800.00	<b>Phase 1</b>
	<b>Sub Total Phase (1)Projects</b>	<b>3,177,500.00</b>	
	<b>Any remaining funds after the projects above are completed will be used for the following supplemental projects</b>		
SC	Install Exhaust Fans in Hallways and Stairwells	306,500.00	<b>Phase I Supplemental- Completed</b>
SC	Install Windows in Second Floor Hall (Currently Fixed Glass)	124,200.00	<b>Phase I Supplemental- Not Done Due to Insufficient Funding</b>
<b>Total Phase (1)- Cost Including Supplemental Projects</b>		<b>\$3,608,200.00</b>	

**Phase (2) Projects-Amount approved by Voters for Phase (2) projects on June 9, 2020  
\$3,000,000.00- See list of projects below.**

School	Project Description	Estimated Cost	Phase
MS	Renovate Girls and Boys Locker Rooms	2,371,727.00	Phase 2
GH	GH-Renovate Nurses Room and Expand into next Room	423,128.00	Phase 2
	<b>Sub Total Phase 2 Projects</b>	<b>\$2,794,855.00</b>	

**Phase (3) Projects-Not Yet Funded**

School	Project Description	Estimated Cost	Phase
GH	Abate Asbestos from Crawl Space Under Gym and 1950's Wing	395,500.00	Phase 3
GH	Replace 1995 Addition Boiler- <i>This project will be eliminated if the Energy Performance work is approved on</i>	427,100.00	Phase 3



	<i>December 10, 2019 by voters. Steam to hot water conversion in the EPC Project will result in the elimination of this project</i>		
GH	Replace 1950's Wing Septic Tank and Leaching Pools	197,800.00	Phase 3
GWL	Abate Asbestos from Crawl Space Under 1950's Wing	332,200.00	Phase 3
GWL	Replace 1950's Wing Septic Tank and Leaching Pool (Lower Field)	158,200.00	Phase 3
GWL	Replace Ceramic Tiles in First Floor Halls, Old Building and Nurses' Office- <i>This is also included in the list of supplemental projects in the bond</i>	44,400.00	Phase 3
GWL	Replace Main Entrance Exterior Doors - (2) North and South Portico Exterior Doors; (4) Gym and Auditorium Exterior Doors ; (8) With FRP Doors. Include all New Frames and Hardware on all Doors- <i>Some of these doors will be addressed in the scope of the bond</i>	90,600.00	Phase 3
SC	Remove Flooring, Re-Frame and Install New Flooring 1 <sup>st</sup> and 2 <sup>nd</sup> Floor Classrooms, East Side of Building	321,200.00	Phase 3
SC	Install Walk-in Refrigerator and Freezer in Kitchen	129,400.00	Phase 3
HS	Replace Sidewalks in the Rear of Building, Around Field Areas and in Courtyard	386,400.00	Phase 3
CO	Level Floor in Accounts Payable Office	213,200.00	Phase 3
CO	Level Carpeting-When Floor above is Leveled	40,200.00	Phase 3
CO	Re-Pipe Existing Hot Water Heating System and Zone Control- <i>Some of the scope may be addressed in the Energy Performance work. Will be removed from this list when the project is completed</i>	51,800.00	Phase 3
CO	Excavate and Waterproof Entire Perimeter of Building Foundation, Install French Drains and Drywells- <i>Already in the bond</i>		
CO	Install New Generator	97,000.00	Phase 3
	<b>Sub Total Phase (3) Projects</b>	<b>\$2,885,000.00</b>	
<b>Total All Phases-Some Phase (3) Projects will be Eliminated to Match the Amount Authorized by Voters</b>		<b>\$9,288,055.00</b>	

### Cash Raised from 2015-16 through June 30, 2019

<b>Maximum Funding Level Approved by the Voters on May 17, 2016</b>	<b>\$8,500,000.00</b>
2015-16-From Fund Balance	847,783.50
2016-17-From Fund Balance	2,600,000.00
2017-18-From Fund Balance	1,500,000.00
Interest Earned To Date 6/30/2018	36,451.04
<b>Amount Approved to Fund Phase (1) Projects</b>	<b>(3,443,911.91)</b>
<b>Available Balance as of 6/30/2018</b>	<b>1,540,322.63</b>
2018-19-From Fund Balance	1,500,000.00
Interest Earned in 2018-19	118,164.73
<b>Total Available in Reserve as of 6/30/2019</b>	<b>3,158,487.36</b>
<b>Amount Approved to Fund Phase (2) Projects</b>	<b>(3,000,000.00)</b>
Interest Earned in 2019-20	105,525.01
<b>Available Balance as of 6/30/20</b>	<b>\$264,012.37</b>

The Capital Reserve Fund is used to finance specific types of capital improvements, reconstruction or equipment purchases. A Board of Education resolution is required to establish a Capital Reserve. The resolution must specify the purpose, maximum amount, probable term, and how the reserve will be funded. The Capital Reserve is generally funded from two sources: budgetary appropriations or revenues that are not required to be accounted for in any other fund or account. A voter referendum is required to establish and permit the overall funding and to expense the amount in the reserve.

The District's Capital Reserve was established on May 17, 2016. The ultimate amount was \$8,500,000 with a probable term of 10 years; the list of projects is noted above. On May 15, 2018, voters approved a referendum to fund all projects listed in Phase (1) above. On June 9, 2020 voters approved another referendum to fund the Middle School Girls and Boys Locker Rooms (\$2,371,727.00) and the Glen Head Nurse's Suite (\$423,128.00). Phase (3) Projects will be funded when the funding level authorized by voters is reached.

### **Retirement Contribution Reserve: \$6,234,574.98**

<b>Description</b>	<b>Date</b>	<b>Amount</b>
Date Established and Initial Funding	06/30/2005	<b>\$740,876.35</b>
Accrue ERS Expenses at Year End/Increase Reserve- Approved by BOE	06/30/2006	1,189,505.06
Disbursement-Payment to ERS	11/29/2006	(533,032.00)
Accrue ERS Expenses at Year End/Increase Reserve- Approved by BOE	06/30/2007	885,213.82
Disbursement-Payment to ERS	12/06/2007	(471,311.42)
Accrue ERS Expenses at Year End/Increase Reserve- Approved by BOE	06/30/2008	581,469.72
Disbursement-Payment to ERS	12/3/2008	(578,236.39)
Accrue ERS Expenses at Year End/Increase Reserve- Approved by BOE	06/30/2009	578,236.39
Disbursement-Payment to ERS	11/20/2009	(462,429.00)
Accrue ERS Expenses at Year End/Increase Reserve- Approved by BOE	06/30/2010	1,271,541.38
Increase Reserve	06/30/2011	287,981.00
Increase Reserve	06/30/2013	632,863.00
Increase Reserve	06/30/2014	892,435.71
Disbursement-Payment to ERS	06/30/2014	(174,673.00)
Increase Reserve	06/30/2015	3,564,684.00
Disbursement-Payment to ERS	06/30/2015	(128,578.00)
Increase Reserve	06/30/2016	1,408,762.00
Disbursement-Payment to ERS	06/30/2016	(307,602.33)
Estimated to Reduce ERS Cost in 2016-17	06/30/2017	(1,000,000.00)
Recommendation to Increase ERS Reserve	06/30/2017	1,367,882.74
Estimated to Reduce ERS Cost in 2017-18	06/30/2018	(1,200,000.00)
Interest Earned Through 06/30/2018	06/30/2018	279,052.82
Amount approved by voters to reduce 2018-19 tax levy- June 30, 2019	06/30/2019	(1,200,000.00)
Amount Transferred from ERS to TRS Reserve	06/30/2019	(500,000.00)
Interest Earned in 2018-19	06/30/2019	172,654.61
Amount approved by voters to reduce 2019-20 tax levy- June 30, 2020	6/30/2020	(1,200,000.00)
Interest Earned in 2019-20	6/30/2020	137,278.52
Ending Balance as of 6/30/2020		<b>6,234,574.98</b>
Amount approved by voters to reduce 2020-21 tax levy-This will be reflected in the balance on June 30, 2021		(1,200,000.00)

The Retirement Contribution Reserve is used to pay contributions payable to New York State and Local Employees' Retirement System (ERS). It is created by Board resolution and funded through budgetary appropriation or other revenues. Any remaining funds in the Repair Reserve can also be transferred into the Retirement Contribution Reserve. If the Board of Education determines that the Retirement Contribution Reserve is no longer needed it may terminate the reserve and transfer any remaining balance into a Repair or Capital Reserve. This transfer is subject to a public hearing.

### **Teachers' Retirement System Reserve: \$601,230.42**

The 2019-20 New York State Budget included an amendment allowing school districts to establish TRS (Teachers' Retirement Reserve). Contributions into the TRS Reserve cannot exceed 2% of the total salaries paid to all members of the Teachers' Retirement System in the immediate preceding year. In addition, the aggregate balance in the reserve cannot exceed 10% of the total salaries of all the members in the TRS Retirement System in the immediate preceding year. Under the new legislation, districts are permitted to transfer funds from ERS (Employee Retirement System) Reserve to fund the new TRS Reserve. The TRS Payroll for the immediately preceding year, 2017-18 fiscal year, was \$46,343,886.62; 2% of 2017-18-member payroll equals \$926,877.73. In 2018-19 \$500,000.00 was transferred from ERS to fund the new TRS Reserve. In addition, \$92,393.50 from 2018-19 fund balance was used to fund the TRS Reserve. The table below shows the status of the TRS reserve as of June 30, 2020.

<b>Teachers' Retirement Reserve</b>	<b>Amount Transferred from ERS Reserve/Beginning Balance</b>	<b>Funding from Fund Balance/Interest Earned</b>	<b>Total Balance</b>
<b>Date</b>	<b>Amount</b>	<b>Amount</b>	<b>Balance</b>
6/30/2019	500,000.00	92,393.50	592,393.50
6/30/2020	592,393.50	8,836.92	601,230.42

### **Assigned Fund Balance-To Reduce Future Tax Levies- From NYS Senate and Assembly (Marcellino and Lavine)**

a. During the 2013-14 school year, the District received a Supplemental Valuation Impact Aid of \$2,000,000 from the NYS Senate and a \$500,000 Grant in Aid from the NYS Assembly. In 2014-15, the NYS Senate and Assembly reallocated \$2,400,000 and \$500,000 respectively to the District. The district received a total of \$5,400,000 in the two fiscal years. The funds received were set aside and earmarked by the Board and allocated on a yearly basis to reduce the tax levy as follows:

- i. 2014-15 - \$ 169,518.75
- ii. 2015-16 - \$ 600,000.00
- iii. 2016-17 - \$1,000,000.00
- iv. 2017-18 - \$1,000,000.00
- v. 2018-19 - \$ 800,000.00
- vi. 2019-20 - \$ 600,000.00
- vii. 2020-21 \$ 73,516.26

b. The total of **\$1,156,964.74** plus interest which will remain as of 6/30/2020 in the Special Legislative Grant after the 2020-21 fiscal year will be applied to reduce future tax levies as follows:

- a. 2021-22 - \$ 300,000.00
- b. 2022-23 - \$ 200,000.00
- c. 2023-24 - \$ 131,000.00
- d. 2024-25 - \$ 131,000.00
- e. 2025-26 - \$ 131,000.00
- f. 2026-27 - \$ 131,000.00
- g. 2027-28 - \$ 132,964.74-**Plus Accrued Interest**

*It is recommended that the grant from Senator Marcellino and Assemblyman Lavine, be phased out on a gradual basis as reflected in the chart above to restore the structural balance of the district's future operating budgets. It is also recommended that potential uses of this funding be reviewed on an annual basis.*

**Assigned Fund Balance-Previously Set Aside to Pay Tax Certiorari Claims:**  
**\$2,504,398.53. Remaining Balance \$1,154,398.53**

Tax Certiorari Reserve was set up to pay claims from the repeal of Nassau County Guarantee. In 2011 the Nassau County Executive proposed phasing out the County Guarantee of School taxes in his annual budget. North Shore School District along with other Nassau Schools sued the County and won on appeal. The District liquidated funds that were reserved to pay possible claims after further appeals by the County failed. The liquidated reserve funds became part of assigned fund balance; they have been applied to the 2018-19-and 2019-20 budgets, and will be applied to future budgets as follows:

- a. 2018-19 \$ 350,000.00
- b. 2019-20 \$ 500,000.00
- c. 2020-21 - \$ 500,000.00

**Remaining Balance \$1,154,398.53 as of 6/30/2020**

- d. 2021-22 - \$ 400,000.00
- e. 2022-23 - \$ 300,000.00
- f. 2023-24 - \$ 250,000.00
- g. 2024-25 - \$ 204,398.53

**Assigned Fund Balance for Professional Development (\$200,000.00) and Reopening Expenses (\$2,700,000.00)**

Due to the novel coronavirus disease, (COVID 19) pandemic, the District established Board designated assigned fund balance in the amount of \$200,000.00 and \$2,700,000.00. The funds will be used to address professional development for teachers during the continuation of online learning as well as the reopening of schools to ensure the health and safety of students and staff during the 2020-21 school year.

**Assigned Fund Balance- To Reduce 2020-21 Levy \$1,068,900.58 and Reserve for Encumbrance \$2,488,621.17**

This is the amount previously approved by the Board from the 2019-20 fund balance to reduce the 2020-21 tax levy. Encumbrances carried over are the District's commitment for purchase orders that were issued but not yet fulfilled at the end of the fiscal year.

**Unassigned Fund Balance: \$4,247,484.01**

The Unassigned Fund Balance is used to cover unforeseen emergencies that could restrict daily operations. New York State law allows each district to set aside a maximum of 4 percent (4%) of the subsequent school year's budget in Unassigned Fund Balance. The amounts assigned from tax certiorari reserve and special grant from NYS (LIPA) would be treated as unassigned for the purpose of the 4% calculation.