

**PORT JEFFERSON SCHOOL DISTRICT
RESTRICTED RESERVE PLAN
UPDATED MARCH 2018**

Worker's Compensation Reserve – A814

Creation – This reserve was created prior to 7/1/2001

Purpose – This reserve is used to fund the districts self-insured Workers' Compensation expenses to enable payment of compensation and benefits, settlements, and other authorized expenses to include self-insurance administrative costs.

Funding Methods – This reserve is funded through excess fund balance. Excess fund balance is generated when actual expenses are below budgeted expenses for a given school year.

Use of Reserve – This reserve will be used to satisfy the District's larger Workers' Compensation claims. This arrangement enables the District to budget annually for smaller claims and have the ability to pay larger less infrequent claims.

Monitoring of Reserve – This reserve is monitored by the Deputy Superintendent.

Funding Level – The BOE increased the authorization to fund this reserve in the amount not to exceed \$3,161,875 plus associated earned interest in August 2017. At this time, the balance is \$ 3,092,344.91

| Account | Account Name | Date | Explanation | Debits | Credits | Balance |
|---------|------------------------------|------------|---|------------|------------|--------------|
| A 814 | WORKERS'COMPENSATION RESERVE | 07/01/2008 | Opening Ledger Entries | 0.00 | 367,709.09 | 367,709.09 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2009 | to transfer reserves | 19,597.63 | 0.00 | 348,111.46 |
| A 814 | WORKERS'COMPENSATION RESERVE | 03/01/2010 | To correct JE 122 reserve transfer | 50,000.00 | 0.00 | 298,111.46 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2010 | RETURN FUNDS TO RESERVES | 0.00 | 21,735.10 | 319,846.56 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2010 | ALLOCATE INTEREST TO RESERVES | 0.00 | 2,610.84 | 322,457.40 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2010 | FUND RESERVES | 0.00 | 100,000.00 | 422,457.40 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2011 | Allocate Interest to Reserves | 0.00 | 1,689.83 | 424,147.23 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2011 | Record Reserves Used in 2010/11 | 50,000.00 | 0.00 | 374,147.23 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2011 | Record BOE Approve Transfers | 0.00 | 250,000.00 | 624,147.23 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2012 | TO REVERSE INTEREST ALLOCATION WORKERS COMP | 0.00 | 4,233.08 | 628,380.31 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2012 | TO RECORD FUND BALANCE TRANSFERS WORKERS COMP | 0.00 | 300,000.00 | 928,380.31 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2013 | TO ALLOCATE INTEREST TO RESERVE ACCOUNTS | 0.00 | 4,928.15 | 933,308.46 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2013 | TO ALLOCATE FUNDS FOR RESERVE ACCOUNTS | 0.00 | 597,403.00 | 1,530,711.46 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2014 | interest portion of reserve accounts | 0.00 | 5,501.84 | 1,536,213.30 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2014 | Allocate funds for Reserve Accounts | 0.00 | 250,000.00 | 1,786,213.30 |
| A 814 | WORKERS'COMPENSATION RESERVE | 04/30/2015 | to transfer funds fr Wkrs Comp Reserve | 110,000.00 | 0.00 | 1,676,213.30 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2015 | To reallocate annual int. on reserves | 0.00 | 5,505.07 | 1,681,718.37 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2015 | Allocate funds to reserve accounts | 0.00 | 300,000.00 | 1,981,718.37 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2015 | Allocate funds to reserves | 0.00 | 100,000.00 | 2,081,718.37 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2016 | To allocate interest to reserves @ 6/30 | 0.00 | 4,956.56 | 2,086,674.93 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2016 | To allocate fund to reserves per BOE resolution | 0.00 | 500,000.00 | 2,586,674.93 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2017 | To allocate int to reserves | 0.00 | 5,669.98 | 2,592,344.91 |
| A 814 | WORKERS'COMPENSATION RESERVE | 06/30/2017 | To transfer fund balance to Reserves | 0.00 | 500,000.00 | 3,092,344.91 |

**PORT JEFFERSON SCHOOL DISTRICT
RESTRICTED RESERVE PLAN
UPDATED MARCH 2018**

Unemployment Compensation Reserve – A882U

Creation – This reserve was created prior to 07/01/2001.

Purpose – This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the school district elects the benefit reimbursement method in lieu of making contributions under article 18 of the Labor Law.

Funding Methods – This reserve is funded through excess fund balance. Excess fund balance is generated when actual expenses are below budgeted expenses for a given school year.

Use of Reserve – The District subscribes to the benefit reimbursement method, meaning we reimburse the State for actual claims incurred. We do not pay New York State a fixed premium for unemployment insurance coverage. This reserve would serve to cover the District's financial obligation to pay unemployment benefits which either come up unexpectedly or in lieu of the District making an annual appropriation in its budget for unemployment claims. Although the budget has had and continues to contain funding for unemployment insurance, this amount is used for relatively small, incidental claims incurred by the District in the normal course of business.

Monitoring of Reserve – This reserve will be monitored by the Deputy Superintendent in conjunction with other central office personnel to assess the potential for incurring unemployment claims.

Funding Level – The BOE increased the authorization to fund this reserve in the amount not to exceed \$1,994,074 plus associated earned interest in August 2017. At this time, the balance is \$ 1,848,387.03.

| Account | Account Name | Date | Explanation | Debits | Credits | Balance |
|---------|--------------------------|------------|---|-----------|------------|--------------|
| A 882U | RESERVE FOR UNEMPLOYMENT | 07/01/2008 | Opening Ledger Entries | 0.00 | 217,935.20 | 217,935.20 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2009 | to transfer reserves | 33,925.95 | 0.00 | 184,009.25 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2010 | ALLOCATE INTEREST TO RESERVES | 0.00 | 1,380.07 | 185,389.32 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2010 | FUND RESERVES | 0.00 | 50,000.00 | 235,389.32 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2011 | Allocate Interest to Reserves | 0.00 | 941.56 | 236,330.88 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2011 | Record BOE Approve Transfers | 0.00 | 100,000.00 | 336,330.88 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2012 | TO REVERSE INTEREST ALLOCATION UNEMPLOYMENT | 0.00 | 2,281.06 | 338,611.94 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2012 | TO RECORD FUND BALANCE TRANSFERS UNEMPLOYMENT | 0.00 | 300,000.00 | 638,611.94 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2013 | TO ALLOCATE INTEREST TO RESERVE ACCOUNTS | 0.00 | 3,389.96 | 642,001.90 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2013 | TO ALLOCATE FUNDS FOR RESERVE ACCOUNTS | 0.00 | 700,000.00 | 1,342,001.90 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2014 | interest portion of reserve accounts | 0.00 | 4,823.56 | 1,346,825.46 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2014 | Allocate funds for Reserve Accounts | 0.00 | 250,000.00 | 1,596,825.46 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2015 | To reallocate annual int. on reserves | 0.00 | 4,986.53 | 1,601,811.99 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2015 | Allocate funds to reserves | 0.00 | 100.00 | 1,601,911.99 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2016 | To allocate interest to reserves @ 6/30 | 0.00 | 3,814.15 | 1,605,726.14 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2016 | To allocate fund to reserves per BOE resolution | 0.00 | 237,000.00 | 1,842,726.14 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2016 | To allocate funds to reserves | 0.00 | 1,347.70 | 1,844,073.84 |
| A 882U | RESERVE FOR UNEMPLOYMENT | 06/30/2017 | To allocate int to reserves | 0.00 | 4,313.19 | 1,848,387.03 |

**PORT JEFFERSON SCHOOL DISTRICT
RESTRICTED RESERVE PLAN
UPDATED MARCH 2018**

Reserve for Retirement Contributions – A827

Creation – This reserve was created on June 30, 2007.

Purpose – This reserve is used to fund employer retirement contributions i.e. any portion of the amount(s) payable by an eligible school district to the New York State and Local Employees’ Retirement System (ERS), **but not TRS**.

Funding Methods – This reserve is funded through excess fund balance. Excess fund balance is generated when actual expenses are below budgeted expenses for a given school year.

Use of Reserve – This reserve is used to pay for district expenses to the New York State and Local Employees’ Retirement System (ERS) only. There is currently no authority in law for districts to place funds in reserve for amounts payable to the Teachers’ Retirement System (TRS). This reserve is to ensure that the District can withstand a substantial increase in pension contribution rates without doing so to the detriment of student programs.

Monitoring of Reserve – This reserve is monitored by the Deputy Superintendent.

Funding Level – Future ERS contribution rates have been predicted to increase dramatically and this reserve is funded as another way to ensure that the District can withstand a substantial increase in pension contribution rates. The BOE increased the authorization to fund this reserve in the amount not to exceed \$3,554,774 plus associated earned interest in August 2017. At this time, the balance is \$ 3,369,678.98.

| Account | Account Name | Date | Explanation | Debits | Credits | Balance |
|---------|--------------------------------------|------------|---|------------|------------|--------------|
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 07/01/2008 | Opening Ledger Entries | 0.00 | 500,000.00 | 500,000.00 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 01/26/2010 | to utilize reserves per BOR/Budget Plan | 150,000.00 | 0.00 | 350,000.00 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2010 | ALLOCATE INTEREST TO RESERVES | 0.00 | 3,750.00 | 353,750.00 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2010 | Allocation to Retirement Reserve | 0.00 | 360,000.00 | 713,750.00 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2010 | FUND RESERVES | 0.00 | 100,000.00 | 813,750.00 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2010 | RETURN FUNDS TO RESERVES | 0.00 | 92,058.00 | 905,808.00 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2011 | Allocate Interest to Reserves | 0.00 | 3,623.23 | 909,431.23 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2011 | Record BOE Approve Transfers | 0.00 | 100,000.00 | 1,009,431.23 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2011 | Record Reserves Used in 2010/11 | 150,000.00 | 0.00 | 859,431.23 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2012 | TO RECORD FUND BALANCE TRANSFERS | 0.00 | 400,000.00 | 1,259,431.23 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2012 | TO REVERSE INTEREST ALLOCATION RETIREMENT RESERVE | 0.00 | 5,828.82 | 1,265,260.05 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2013 | TO ALLOCATE FUNDS FOR RESERVE ACCOUNTS | 0.00 | 700,000.00 | 1,965,260.05 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2013 | TO ALLOCATE INTEREST TO RESERVE ACCOUNTS | 0.00 | 6,716.41 | 1,971,976.46 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2014 | Allocate funds for Reserve Accounts | 0.00 | 785,000.00 | 2,756,976.46 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2014 | interest portion of reserve accounts | 0.00 | 7,087.88 | 2,764,064.34 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2015 | Allocate funds to reserve accounts | 0.00 | 200,000.00 | 2,964,064.34 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2015 | To reallocate annual int. on reserves | 0.00 | 8,631.55 | 2,972,695.89 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2016 | To allocate fund to reserves per BOE resolution | 0.00 | 400,000.00 | 3,372,695.89 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2016 | To allocate interest to reserves @ 6/30 | 0.00 | 7,077.98 | 3,379,773.87 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2017 | To allocate int to reserves | 0.00 | 7,905.11 | 3,387,678.98 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 06/30/2017 | To transfer fund balance to Reserves | 0.00 | 57,000.00 | 3,444,678.98 |
| A 827 | RETIREMENT CONTRIBUTION RESERVE FUND | 02/13/2018 | To transfer reserves per 17/18 budget | 75,000.00 | 0.00 | 3,369,678.98 |

**PORT JEFFERSON FREE SCHOOL DISTRICT
RESTRICTED RESERVE PLAN
UPDATED MARCH 2018**

Reserve for Employee Benefits Accrued Liability (EBALR) – A867

Creation – This reserve was created prior to 6/30/2001

Purpose – This reserve is used to pay accrued benefits due employees upon termination of service for vacation, sick leave, personal leave etc.

Funding Methods – This reserve is funded through excess fund balance. Excess fund balance is generated when actual expenses are below budgeted expenses for a given school year.

Use of Reserve – This reserve can be used when an employee separates from the District and payment of accumulated leave is required. These transactions would flow through the budget via a budget revision with the offsetting revenue coming from a drawdown of this reserve. This reserve will continue to be used in this manner to make these payments as necessary.

Monitoring of Reserve – This reserve is monitored by the Deputy Superintendent. Each year, a detailed analysis of the liability is computed and is used to support the funding of this reserve not to exceed 100% of the liability. These calculations are reviewed annually by the district’s external auditors.

Funding Level – This reserve should be funded at 100% of the accrued liability for unused accumulated leave time. The BOE increased the authorization to fund this reserve in the amount not to exceed \$3,201,824 plus associated earned interest in August 2017. At this time, the balance is \$ 3,208,961.82.

| Account | Account Name | Date | Explanation | Debits | Credits | Balance |
|---------|----------------------------------|------------|---|--------|--------------|--------------|
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 07/01/2008 | Opening Ledger Entries Opening Ledger Entries | 0.00 | 1,904,686.00 | 1,904,686.00 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2009 | Reserve transfer | 0.00 | 73,730.25 | 1,978,416.25 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2010 | ALLOCATE INTEREST TO RESERVES | 0.00 | 14,838.12 | 1,993,254.37 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2010 | FUND RESERVES | 0.00 | 200,000.00 | 2,193,254.37 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2011 | Allocate Interest to Reserves | 0.00 | 8,773.02 | 2,202,027.39 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2012 | TO REVERSE INTEREST ALLOCATION COMPENSATION | 0.00 | 14,934.54 | 2,216,961.93 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2013 | TO ALLOCATE INTEREST TO RESERVE ACCOUNT | 0.00 | 11,768.36 | 2,228,730.29 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2014 | Allocate funds for Reserve Accounts | 0.00 | 500,000.00 | 2,728,730.29 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2014 | interest portion of reserve accounts | 0.00 | 8,010.73 | 2,736,741.02 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2015 | To reallocate annual int. on reserves | 0.00 | 8,546.23 | 2,745,287.25 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2016 | To allocate fund to reserves per BOE resolution | 0.00 | 300,000.00 | 3,045,287.25 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2016 | To allocate interest to reserves @ 6/30 | 0.00 | 6,536.52 | 3,051,823.77 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2017 | To allocate int to reserves | 0.00 | 7,138.05 | 3,058,961.82 |
| A 867 | RESERVE FOR COMPENSATED ABSENCES | 06/30/2017 | To transfer fund balance to Reserves | 0.00 | 150,000.00 | 3,208,961.82 |

**PORT JEFFERSON SCHOOL DISTRICT
RESTRICTED RESERVE PLAN
UPDATED MARCH 2018**

Capital Reserve – A878

Creation – This reserve was created by voter approval on May 19, 2015 (proposition #2).

Purpose – This reserve is to be used for the purpose of financing in whole or in part, the cost of authorized alterations, construction, reconstruction, renovations, and/or replacement of School District facilities, buildings and/or additions and related infrastructure systems, including related site work, health and safety improvements, heating, ventilation and air conditioning, and replacement and/or refurbishment of athletic fields.

Funding Methods – Funding to be raised by the transfer of excess funds from unassigned fund balance, in such amounts as shall be determined annually by the Board of Education not to exceed \$1,500,000 annually. Excess fund balance is generated when actual expenses are below budgeted expenses for a given school year.

Use of Reserve – Voter approval is required to spend funds from this reserve. Expenditures must be specific i.e., roof replacement, facility construction. Annual appropriations from this reserve require further authorization by the voters.

Monitoring of Reserve – This reserve is monitored by the Deputy Superintendent.

Funding Level –The funding of this reserve is in a maximum amount not to exceed \$10,000,000.00 and with a probable term of seven (7) years, commencing on June 30, 2016 and ending on June 30, 2026. At this time, the balance is \$4,051,364.02

| Account | Account Name | Date | Explanation | Debits | Credits | Balance |
|---------|-----------------|------------|---|------------|--------------|--------------|
| A 878 | CAPITAL RESERVE | 06/30/2015 | Allocate funds to reserve accounts | 0.00 | 1,500,000.00 | 1,500,000.00 |
| A 878 | CAPITAL RESERVE | 06/30/2016 | To allocate interest to reserves @ 6/30 | 0.00 | 3,571.49 | 1,503,571.49 |
| A 878 | CAPITAL RESERVE | 06/30/2016 | To allocate fund to reserves per BOE resolution | 0.00 | 1,500,000.00 | 3,003,571.49 |
| A 878 | CAPITAL RESERVE | 06/30/2017 | To allocate int to reserves | 0.00 | 3,792.53 | 3,007,364.02 |
| A 878 | CAPITAL RESERVE | 06/30/2017 | To transfer fund balance to Reserves | 0.00 | 1,500,000.00 | 4,507,364.02 |
| A 878 | CAPITAL RESERVE | 02/13/2018 | To transfer reserves per 17/18 budget | 456,000.00 | 0.00 | 4,051,364.02 |