

Summary Analysis of 2020-21 Projected Revenues and Fund Balance
As of January 31, 2021

	2020-21 BUDGET	REVENUE EARNED YTD	ACCRUED REVENUE	TOTAL PROJECTED REVENUE	TOTAL PROJECTED VARIANCE OVER/(UNDER)	
Real Property Taxes	89,521,076	47,600,000	41,921,076	89,521,076	-	
PILOTS, including LIPA PILOTS	1,579,832	-	1,640,769	1,640,769	60,937	Reflects statement from Nassau Cty. LIPA PILOTS have varied widely from year to year.
School Tax Relief Reimbursement	1,176,350	1,176,350	-	1,176,350	-	
Interest on Property Taxes	5,000	-	-	-	(5,000)	Billings for health services for students attending in-district NPS. Projection reflects fewer students receiving services.
Health Service for Other Districts	715,765	(36,107)	720,332	684,225	(31,540)	Billings for special ed services to in-district NPS students.
Day School Tuition-Other Districts	200,000	(210,518)	390,518	180,000	(20,000)	Boundary properties designated to MUFSD, plus tuition collected for non-resident students primarily PSAT Exam fees, offset on the expense side.
Day School Tuition-Individuals	152,594	3,000	176,122	179,122	26,528	Drivers Ed is not running in 20-21 because of COVID-19. Offset on the expense side.
Other Student Fees & Charges	5,000	278	49,974	50,252	45,252	Interest earnings are at extraordinarily low levels.
Driver Education Tuition	30,000	-	-	-	(30,000)	Facilities not used due to COVID-19.
Other Charges for Services	202,436	6,475	8,525	15,000	(187,436)	Worker's Comp. recoveries. Include prior year recoveries from NYS of \$43K.
Interest and Earnings	40,000	875	19,775	20,650	(19,350)	
Rental of Real Property	30,000	67,216	17,790	85,006	55,006	
Insurance Recoveries- Other	10,000	10,000	10,000	10,000	-	
E Rate Aid	60,000	688	59,312	60,000	-	
Refund of Prior Year Expense- Other						Gifts from community orgs for club/athletic/enrichments stipends and gifts from the SCA for outdoor education. Impacted by COVID-19
Gifts and Donations	50,000	6,746	13,254	20,000	(30,000)	
Other Misc Revenue	3,000	698	2,302	3,000	-	
Indirect Revenue - Grants	36,489	5,012	27,000	32,012	(4,477)	
Total Operational Revenues, excluding State Aid	93,817,542	48,620,713	45,056,749	93,677,462	(140,080)	
State Aid- Basic Formula	3,933,180	2,562,310	2,173,761	4,736,071	802,891	The Projected State Aid Revenue represents the Governor's 21-22 Budget Proposal wherein 20-21 is projected to be \$97,520 lower than the final state aid runs for 20-21 received on March 31, 2020. Once again, the Governor is proposing to collapse expense based aids.
State Aid- Lottery						Nassau Cty reimbursement for CPSE Administration.
State Aid- BOCES	614,506				(614,506)	
State Aid- Textbook	285,905				(285,905)	
State Aid- Computer Software						
State Aid- Library Material						
State Aid- Prior Year	50,000	45,752	-	45,752	(4,248)	
State Aid- Other	10,000				(10,000)	
Total State Aid, excluding Intermediate Care Facility	4,893,591	2,608,062	2,173,761	4,781,823	(111,768)	
State Aid- including Intermediate Care Facility and Children's Residential Project	189,496	2,608,062	293,522	293,522	104,026	ICF and CRP Recoveries
Total State Aid	5,083,087	2,608,062	2,467,283	5,075,345	(7,742)	
Federal Aid- Medicaid Assistance	12,499		20,000	20,000	7,501	
Interfund Revenues - Debt Service Manhasset Library	1,022,625	857,250	165,375	1,022,625	-	Payment received from Library for Library Bond debt service paid by District
Applied Fund Balance	724,067		724,067	724,067	-	
Total Revenues and Fund Balance	100,659,820	52,086,025	48,433,474	100,519,499	(140,321)	

Note: This analysis contains estimates and projections of revenues based on certain assumptions. Actual results can vary and as such these estimates and projections are subject to change.

Summary Analysis of 2020-21 Projected Expenses and Fund Balance
As of January 31, 2021

Note: This analysis, with attachments, contains estimates and projections of expenses based on certain assumptions. Actual results can vary and as such these estimates and projections are subject to change.

	2020 - 2021		AS OF 1.31.21		Total Expended/ Encumbered as of 1-31-21	Projected Remaining Expenses/ Adjustments	Total Projected 2020-2021 Expenses	Total Projected 2020-2021 Fund Balance	2019-2020 Actual Expenses	Projected Exp. vs 2019-2020 Actual Expenses	Incr./ (Decr.)
	Approved Budget	Budget Revision	Expensed/Encumbered	25,937,247							
Total Compensation (100 Codes)	52,759,388.00		22,885,505	25,937,247	48,822,752	1,332,446	50,155,198	2,604,190	50,423,094	(267,896)	
Total Compensation - COVID-19 (100 Codes)			926,744	737,571	1,664,316	250,078	1,914,394	(1,914,394)	1,494,448	1,914,394	(441,125)
Total Equipment (200 Codes)	1,365,730.00		436,839	227,912	664,751	388,573	1,053,323	312,407		256,852	
Total Equipment - COVID-19 (200 Codes)			193,373	63,479	256,852	-	256,852	(256,852)			
Total Transportation (300 Codes)	5,051,190.00		2,119,086	2,209,854	4,328,940	232,795	4,561,735	489,455	4,004,127	557,608	
Total Transportation (400 Codes)*	7,842,946.00		3,979,823	2,523,810	6,503,633	1,100,197	7,603,830	239,116	7,248,850	354,980	
Total Contractual - COVID-19 (400 Codes)*			589,827	746,163	1,335,990	-	1,335,990	(1,335,990)		1,335,990	
Legal Services - Special Education(1420 429 Code)	125,000.00		3,096	48,404	51,500	-	51,500	73,500	40,440	11,060	
Contract Therapists (2250 440 Codes)	1,648,862.00		78,741	1,248,362	1,327,103	1,000	1,328,103	320,759	1,257,267	70,836	
Special Ed Tuition - Public (2250 471 Codes)	271,153.00		47,176	225,066	272,242	(34,760)	237,482	33,671	146,064	91,418	
Special Ed Tuition - Private (2250 472 Codes)	1,258,727.00		275,712	1,038,689	1,314,401	(32,449)	1,281,951	(23,224)	1,211,342	70,609	
Special Ed Tuition - BOCES (2250 490 Codes)	1,257,556.00		319,871	475,696	795,567	6,579	802,146	455,410	876,512	(74,366)	
Total Supplies (500 Codes)	1,097,279.00		401,686	228,211	629,897	366,530	996,427	100,852	966,532	29,895	
Total Supplies - COVID-19 (500 Codes)			521,873	55,682	577,555	51,000	628,555	(628,555)		628,555	
Total Interest Expense (700 Codes)	82,000.00		(100,941)	-	(100,941)	149,581	48,641	33,360	61,603	(12,962)	
Total Employee Benefits (800 Codes)	23,790,591.00		10,808,129	3,993,515	14,801,644	7,830,347	22,631,991	1,158,600	22,100,785	531,206	
Total Employee Benefits - COVID-19 (800 Codes)			10,808,129	3,993,515	14,801,644	430,492	430,492	(430,492)		430,492	
COVID-19 Budget Revision		4,348,511			-		-	4,348,511		-	
Total Interfund Transfers (900 Codes)*	4,109,398.00	1,981,562	4,674,486	-	4,674,486	1,317,656	5,992,142	98,818	5,004,397	987,745	
TOTAL	100,659,820.00	6,330,073	48,161,027	39,759,659	87,920,686	13,390,065	101,310,751	5,679,141	94,835,460	6,475,292	
Total COVID-19 Fund Balance		4,348,511	2,231,818	1,602,895	3,834,713	731,570	4,566,283	(217,772)			

Special Education 860,116 2,3,4

Total projected fund balance, revenue and expenses
Dedicated to 21-22 tax levy (estimated budget not yet finalized)
Remaining Available Fund Balance

5,538,821
724,067
4,814,754

* excludes other 400 codes on this schedule.

1 Fund balance is projected as a result of changes in staff mix, primarily because of teachers on unpaid leaves of absence replaced with leave replacements at a lesser salary, in addition to early retirement and unfilled positions and extracurricular and athletic program curtailments, among other items as a result of the COVID - 19

- 2 Legal Fees for Special Education had been volatile: 2010-11: \$292,634; 2011-12: \$367,240; 12-13: \$439,945; 13-14 \$417,295. However, special education legal fees have stabilized over the last several years: \$85,314 in 14-15; \$133,387 in 15-16; \$121,179 in 16-17; 78,143 in 17-18; \$72,062 in 18-19; \$40,440 in 19-20 and projected \$51,500 in 20-21.
- 3 Billing for Special Education Contract Therapists lags by several months. Therefore estimates for this line item can be volatile. The District budgeted for 460 classified school age students and 40 pre-school students to receive related services in 2020-21. As of October 2020, the District was servicing 382 school age students and 18 pre-school students.
- 4 The District budgeted for 40 special education students to attend out of district schools. The actual student count is 36. Certain students budgeted to attend certain out of district schools are actually attending different programs than originally budgeted.
- 5 The district issued its 2020-21 tax anticipation note for \$12,000,000 at a coupon rate of 2.00%, prior to application of premium of \$139,320. The net interest cost (NIC) rate, after premium is 0.3348%
- 6 See attached analysis

2020-21 Benefits Expense and Fund Balance and Historical Analysis of Benefits Expense

	2020-2021		2020-2021		2019-2020		2018-2019		2017-2018		2016-2017		2015-2016		2014-2015		2013-2014		2012-2013		2011-2012		2010-11		2009-10		Projected 20-21 vs Actual 09-10 Increase (Decrease)
	Approved Budget	Total Projected Expenses	Fund Balance	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses	
Employees' Retirement System*	1,236,321	1,251,166	(14,845)	1,126,894	1,167,632	1,057,595	986,459	926,100	1,162,241	795,633	1,221,010	1,096,089	864,214	540,996	710,170												
Teachers' Retirement System*	4,319,136	4,241,906	77,230	3,769,741	4,465,125	4,099,474	4,802,195	6,640,208	6,396,900	5,478,273	4,642,842	4,324,822	4,423,863	2,334,746	1,907,160												
Social Security-Employer Portion	3,913,722	3,893,932	19,790	3,693,831	3,627,379	3,611,865	3,611,865	3,314,932	3,314,932	3,171,667	3,244,579	3,243,260	3,121,896	3,203,755	690,177												
Workers' Compensation - Nassau Coop	416,041	422,321	(6,280)	437,098	414,448	397,282	380,390	382,523	358,663	375,207	361,177	303,625	128,221	422,321													
Workers' Compensation - Tail Claims	33,415	21,816	11,600	23,858	24,540	31,258	31,703	35,800	66,895	67,437	91,578	123,340	183,167	219,369													
Life Insurance Premiums	41,000	39,212	1,788	39,804	38,860	36,149	36,661	36,751	34,573	38,644	39,156	38,721	39,225	39,523													
Unemployment Insurance	20,000	15,000	5,000	53,755	18,514	5,200	19,092	12,682	14,641	35,278	55,339	84,466	72,852	60,605													
MEAMASA Trust Contribution	379,211	384,917	(15,706)	351,018	341,147	352,899	342,362	335,459	313,422	59,341	430,411	483,553	474,971	478,596													
Employee Assistance Program	9,030	9,030	0	9,030	9,030	9,030	9,030	9,030	9,030	9,030	9,054	9,030	9,030	9,030													
Amnuty Management	3,500	2,796	704	2,940	3,048	3,264	3,228	3,336	3,336	3,516	8,835	8,370	9,304	10,647													
Other Benefits	0	0	0	23,864	7,137	4,361	5,920	4,247	1,540	14,825	4,666	9,996	0	0													
Medicare Reimbursement	1,125,000	1,249,340	(124,340)	1,197,195	1,049,204	917,071	803,286	671,871	639,171	588,480	527,837	507,709	489,112	441,566													
Health Insurance- Admin Fees	27,500	25,302	2,198	15,259	26,306	26,595	24,729	23,791	23,492	22,547	21,962	21,719	22,764	22,999													
Dental Insurance	70,000	34,259	35,741	53,156	52,090	28,532	34,283	37,911	41,416	36,796	41,208	40,629	36,109	38,123													
Health Insurance- Buy Back	285,784	258,101	27,683	254,723	200,383	191,033	177,500	179,733	110,289	165,227	268,352	339,353	288,492	306,155													
Health Insurance- Active- PAZ	8,207,895	7,828,253	379,642	7,750,283	7,686,770	7,516,644	6,934,323	6,460,894	5,956,501	5,689,293	5,678,974	5,291,584	4,918,007	4,551,222													
Health Insurance- Cobra- PC7	0	(68,700)	68,700	(67,127)	(13,341)	(85,131)	(2,180)	(10,721)	0	(946)	(4,886)	0	0	3,277,031													
Health Insurance- Retired- PR7	3,703,128	3,443,833	259,295	3,365,473	3,464,752	3,401,491	3,194,521	3,015,790	2,850,945	2,780,278	2,505,740	2,392,691	2,272,882	1,961,885													
Health Insurance- Survivor- PS7	0	0	0	0	0	0	0	0	0	0	3,4126	0	0	0													
Health Insurance- HIP	0	0	0	0	0	0	0	0	0	0	49,706	0	0	0													
Total	23,790,683	23,062,453	728,230	22,100,785	22,583,024	21,603,612	21,271,537	22,143,790	21,267,967	19,371,785	19,185,380	18,368,663	17,384,334	14,272,542	8,780,941												

Pension Deferrals Under the Stable Contribution Option
(not included in the above totals)

28,937
96,194
116,316
261,777
1,653,875
1,087,917
19,371,785
19,185,380
18,368,663
17,384,334
14,272,542
8,780,941

1,199 million paid off in 15-16
Fully Paid off by 14-15

% Increase 2020-21 Projected Benefits vs 2009-10 Actual Benefits 61.59%
 Increase in Benefits as a % of 2009-10 Actual Total General Fund Expenses 10.97%
 Increase in 2020-21 Budget vs 2009-10 Budget 19,565,541
 % Increase in 2020-21 Budget vs 2009-10 Budget 24.13%

0.45

**Analysis of 20-21 Active Healthcare Fund Balance Projection
As of January 31, 2021**

Type of Coverage	Budgeted		Budget - Premium		Actual - Premium		Total Projected 2020-2021 Fund Balance
	# of Employees						
Individual Coverage	140.00		12,851	1,799,185	12,683	1,775,647	
Family Coverage	287.00		29,737	8,534,608	29,104	8,352,727	
FB related to change in rate		427.00		10,333,793		10,128,374	205,419
Type of Coverage		Actual # of Employees					
Individual Coverage		145.00			12,683	1,839,063	
Family Coverage		273.00			29,104	7,945,277	
FB related to changes in coverage		418.00				9,784,340	344,034
Employee Contributions & COBRA Reimbursements			(2,125,898)			(1,956,087)	(169,811)
Total			8,207,895		7,828,253		379,642

1 Premium increases for calendar 2021 were assumed to be 6.5% for individual and for family coverage. The actual INCREASES were 4.2% and 2.7% respectively.

**Analysis of 20-21 Retiree Healthcare Fund Balance Projection
As of January 31, 2021**

Type of Coverage	Budgeted # of Retirees	Budget - Premium		Actual - Premium		Total Projected 2020-2021 Fund Balance
Individual Coverage	12.00	12,851	154,216	12,683	152,198	
Family Coverage	24.00	29,737	713,695	29,104	698,486	
Medicare - Individual Coverage	173.00	4,840	837,323	4,671	808,150	
Medicare - Family Coverage - 1 Med	24.00	21,726	521,421	18,476	443,425	
Medicare - Family Coverage - 2 Med	157.00	13,714	2,153,131	13,257	2,081,396	
FB related to change in rate	390.00		4,379,787		4,183,656	196,131
Type of Coverage	Actual # of Retirees					
Individual Coverage	11.00			12,683	139,515	
Family Coverage	17.00			29,104	494,761	
Medicare - Individual Coverage	175.00			4,671	817,493	
Medicare - Family Coverage - 1 Med	27.00			18,476	498,853	
Medicare - Family Coverage - 2 Med	158.00			13,257	2,094,653	
FB related to changes in coverage	388.00				4,045,276	138,380
Retiree Contributions			(676,659)		(601,443)	(75,216)
Total			3,703,128		3,443,833	259,295

1 Premium increases for calendar 2020 were assumed to be 6.5% for Medicare - individual, family 1 and family 2. The actual YTY changes were were 0.3%, -20.1% and 0.6%, respectively.

Sources and Uses of 2020-21 of Excess Unassigned Fund Balance		<u>With Capital \$ Used and hold back</u>	<u>Without Capital \$ Used</u>
Unassigned Fund Balance at July 1, 2020		4,026,393	4,026,393
Sources of Unassigned Fund Balance in 2020-21			
Total 2020-21 Revenues and Transfers in Excess of Budget	(140,321)		
Total 2020-21 Unspent Appropriations	<u>5,679,141</u>		
Total Excess Unassigned Fund Balance Available for Assignment		<u>5,538,821</u>	5,538,821
Uses of Unassigned Fund Balance in 2020-21			
Designated to 2021-22 Tax Levy	(724,067)		(724,067)
Interest Allocated to Reserves, net	(1,000)		(1,000)
Proposed Transfer to Capital Projects Fund for Asphalt and Water Main Project	(1,008,000) ¹		
21-22 COVID - 19 Fund/Capital Projects Proposition/Transfer to 2018 Capital Reserve TBD	<u>(3,742,210)</u>		
Total Uses of Excess Unassigned Fund Balance			<u>(5,475,277)</u>
Unassigned Fund Balance at June 30, 2021		<u>4,089,937</u>	<u>8,840,147</u>
2021-22 Proposed Budget (this is an estimate, the 21-22 budget is not yet finalized)		<u>102,248,428</u>	<u>102,248,428</u>
Unassigned Fund Balance at June 30, 2021 as a % of 2021-22 Budget		<u>4.00%</u>	<u>8.65%</u>

Note: This analysis contains estimates and projections of revenues, expenses, interest and transfers to reserves that are based on certain assumptions. Actual results can vary and as such these estimates and projections.

¹ This is related to the 2014 Capital Projects Referendum. Approximately \$1.862 million remains in the capital projects fund from the 2014 Bond Referendum. The funds are to be used to complete the Asphalt and Water Main Project at the Secondary School campus. However, the latest bid for this project is \$2.87 million and exceeds the amount available. The proposed transfer is subject to voter approval.

4,089,937

63,544

MANHASSET UFSD FUND BALANCE AND RESERVES

CUMULATIVE COMPONENTS OF AND CHANGES TO FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2018 THROUGH JUNE 30, 2020

	June 30, 2020	June 30, 2019	2019 vs 2018 Inc./Dec.)	June 30, 2018	2019 vs 2018 Inc./Dec.)	Cumulative Inc./Dec.)
General Fund						
Restricted:						
Reserve for Workers' Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Retirement Contribution	-	-	-	-	-	-
Reserve for Retirement Contribution - TRS Sub Fund	-	-	-	-	-	-
Reserve for Repairs	279,737	152,277	127,460	149,639	2,638	130,098
Reserve for Unemployment Insurance	-	-	-	-	-	-
Capital Reserve (2010)	4,913,634	5,597,433	(683,799)	4,872,539	724,894	41,095
Capital Reserve (2018)	69,722	68,614	1,108	-	68,614	69,722
Nonspendable Fund Balance	-	6,765	(6,765)	-	6,765	-
Assigned:						
Designated for Encumbrances	792,181	655,745	136,436	477,519	178,226	314,662
Designated for subsequent year's expenditures	724,067	595,120	128,947	595,120	-	128,947
Designated for COVID-19 Reopening Plan	4,348,511	3,979,890	4,348,511	3,854,797	125,093	4,348,511
Unassigned	4,026,393	11,055,844	46,503	9,949,614	1,106,230	171,596
Total Fund Balance - General Fund	<u>15,154,245</u>	<u>11,055,844</u>	<u>4,098,401</u>	<u>9,949,614</u>	<u>1,106,230</u>	<u>5,204,631</u>
Special Aid Fund						
Assigned - unappropriated	-	-	-	-	-	-
School Lunch Fund						
Nonspendable (inventory)	-	307	(307)	440	(139)	(440)
Assigned - unappropriated	634,857	527,837	107,020	369,043	158,794	265,814
Total Fund Balance - School Lunch Fund	<u>634,857</u>	<u>528,144</u>	<u>106,713</u>	<u>369,483</u>	<u>158,661</u>	<u>265,374</u>
Debt Service Fund						
Restricted	183,147	160,290	22,857	116,785	43,505	66,362
Capital Projects Fund						
Restricted for unspent bond proceeds	1,862,668	1,963,635	(100,967)	1,623,470	340,165	239,198
Restricted for investments in capital assets	-	-	-	-	-	-
Assigned Unappropriated Fund Balance	499,439	905,345	(405,906)	-	905,345	499,439
Total Fund Balance - Capital Projects Fund	<u>2,362,107</u>	<u>2,868,980</u>	<u>(506,873)</u>	<u>1,623,470</u>	<u>1,245,510</u>	<u>738,637</u>
Total Fund Balance	<u>\$ 18,334,356</u>	<u>\$ 14,613,258</u>	<u>\$ 3,721,098</u>	<u>\$ 12,059,352</u>	<u>\$ 2,553,906</u>	<u>\$ 6,275,004</u>
General Fund Balance as a Percent of Budget	<u>15.05%</u>	<u>11.11%</u>		<u>10.32%</u>		

See explanatory footnotes on the following pages.

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

COMMENTS ON COMPONENTS OF AND CHANGES TO FUND BALANCE FOR THE FISCAL YEAR AND RESERVE FUNDING PLAN

Definition: A reserve fund is a separate account established by a school district to finance the cost of various objects or purposes of the school district.

General Fund Restricted Fund Balance:

1. Reserve for Workers' Compensation:

Purpose: This reserve may be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering the self insured program.

Explanation for change: The remaining balance was fully utilized in 2013-14.

Other Comments: This reserve does not require voter approval either to create or expend.

Funding: Due to the District's participation in the Nassau County Workers' Compensation Cooperative as of November 2010 and the subsequent wind-down of all claims incurred prior to that date, there is no need to add funds to this reserve.

2. Reserve for Retirement Contribution/TRS Sub Fund:

Purpose: This reserve is used to fund retirement contributions payable to ERS--the NYS and Local Employees Retirement System and TRS--the NYS Teachers Retirement System.

Explanation for change: The remaining balance in the reserve was fully utilized in 2013-14.

Other Comments: This reserve fund does not require voter approval either to create or expend.

Funding: Because the District participates in the ERS Stable Contribution Option, it is not anticipated that the District will place additional funds in this reserve at this time. TRS contribution rates are relatively stable and funding the TRS Sub Fund is not anticipated at this time.

3. Reserve for Repairs:

Purpose: This reserve may be used to pay the cost of repairs to capital improvements or equipment of a type which does not recur annually or at shorter intervals.

Explanation for change: The 2019-20 Budget provided for a budgeted transfer of \$125,000 into the Repair Reserve, and change also includes earned interest.

Other Comments: This fund was established through voter approval for funding in 1990. Funds may be spent without voter approval, but only after a public hearing, except in emergency situations. In the case of an emergency, expenditures may be authorized by a two-thirds vote of the school Board, but the amount must be repaid to the reserve over the ensuing two years.

Funding/Usage: Voter approval is required to transfer funds to the reserve for repairs. Barring an emergency, at this time it is not anticipated that the repair reserve will be utilized in 2020-21.

4. Reserve for Unemployment Insurance:

Purpose: This reserve may be used to reimburse the State Unemployment Insurance Fund for payments made to claimants.

Explanation for Change: The remaining balance was transferred in 2016-17.

Other Comments: This reserve does not require voter approval either to create or expend.

Funding: The District increased staff in 2014-15 through 2017-18, and unemployment expense during the same period averaged approximately \$20,000 in each year. Therefore, effective June 30, 2017, it was determined that the District can meet its obligations for unemployment benefits out of budgeted fund and the balance in this reserve was transferred to the 2010 Capital Reserve. It is not anticipated that the District will place additional funds in this reserve at this time.

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

5. 2010 Capital Reserve:

Purpose: This reserve fund may be used to pay for the cost of any object or purpose for which bonds may be issued.

Explanation for change: On May 18, 2010, the voters approved the establishment of the 2010 Capital Reserve of up to \$10 million and the Board funded the account with a \$2,118,734 transfer from the Insurance Reserve as of June 2010. On May 17, 2011, voters approved capital projects totaling \$2,405,725 to be funded from the 2010 Capital Reserve, together with unassigned fund balance of up to \$286,991. Projects were completed during Summer 2012 and in 2013. The balance at June 30, 2013 was fully expended in 2013-14, as all approved capital projects were completed. In June 2014 and October 2014, the Board authorized the transfer of \$2 million and \$400,000, respectively, to the 2010 Capital Reserve. In June 2015, the Board authorized the transfer of up to \$3.5 million to the 2010 Capital Reserve, of which \$1,805,170 was transferred as of June 30, 2015. The use of the \$2.4 million was authorized by the voters in December 2014 to partially fund \$22.6 million in capital projects over the next two years. Of this, \$1.75 million was transferred in 2014-15 and \$650,000 was transferred in 2015-16. In June 2016, the Board authorized the transfer of up to \$2 million into the 2010 Capital Reserve. The actual transfer was \$541,307 as of June 30, 2016. In June 2017, the Board authorized the transfer of up to \$2,928,500 to the 2010 Capital Reserve. The actual transfer was \$1,340,175. In addition, \$206,720 was transferred from the Reserve for Unemployment Insurance to the 2010 Capital Reserve, effective June 30, 2017. In June 2018, the Board authorized the transfer of up to \$1,500,000 to the 2010 Capital Reserve. The actual transfer was \$948,885. In June 2019, the Board authorized the transfer of up to \$639,008 to the 2010 Capital Reserve, of which \$639,007 was transferred. This completed the funding of the 2010 Capital Reserve to its total authorized amount of \$10 million. The voters approved Proposition 2 on the May 21, 2019 ballot to expend \$4.925 million of the 2010 Capital Reserve for capital projects, of which \$773,860 has been transferred to the Capital Projects Fund in 2019-20. Since its inception, interest earnings are \$214,127, and \$5,300,493 of the 2010 Capital Reserve has been utilized for capital projects authorized by the voters.

Other Comments: This reserve fund requires voter approval to create and expend. It is unknown at this time whether the District will seek approval in the near term for a new capital project.

Funding: The 2010 Capital Reserve has been fully funded.

6. 2018 Capital Reserve:

Purpose: This reserve fund may be used to pay for the cost of any object or purpose for which bonds may be issued.

Explanation for change: On May 15, 2018, the voters approved the establishment of the 2018 Capital Reserve of up to \$10 million, with a maximum funding term of 10 years. In June 2019, the Board approved a transfer of up to \$750,000 to the 2018 Capital Reserve, of which \$68,614 was transferred. In June 2020, the Board approved a transfer of up to \$5 million to the 2018 Capital Reserve, of which \$0 was transferred.

Other Comments: This reserve requires voter approval to create and expend. It is unknown at this time whether the District will seek approval in the near term for a new capital project.

Funding: The 2018 Capital Reserve will be funded generally through the transfer of surplus money, if any, from the District's General Fund unappropriated fund balance that may be available at the end of each fiscal year.

General Fund Nonspendable Fund Balance:

Purpose: Nonspendable fund balance is reserved for prepaid expenses at June 30, 2019, expended in 2019-2020.

General Fund Assigned Fund Balance:

1. Unappropriated Fund Balance - Designated for Encumbrances:

Purpose: Reserved for payment to vendors whose invoices have not yet been received.

Explanation for change: The dollar amount of payments to vendors estimated to be open for payment at the end of the school year fluctuates.

2. Appropriated Fund Balance - Designated for Subsequent Year's Expenditures:

Purpose: To be used for tax levy reduction in the next fiscal year.

Explanation for change: The 2018-19 and 2019-20 budgets applied \$595,120 to the respective tax levy. The 2020-21 budget applied \$724,067 to the 2020-21 tax levy.

Funding: The District evaluates the need for designations for subsequent year's expenditures in concert with the annual budget process.

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

General Fund Unassigned Fund Balance:

Purpose: This amount is the unallocated portion of the District's fund balance. NYS Real Property Tax Law permits the retention of up to 4% of the current budget as unassigned.

Other Comments: At June 30, 2018 and 2019, the District's unassigned fund balance is at the statutory maximum of 4%. The District's unassigned fund balance at June 30, 2020 is \$4,026,393 after the designation of \$4,348,511 of unassigned fund balance as assigned for the specific purpose of covering the expenses associated with the COVID-19 Reopening Plan in 2020-21. These unanticipated expenses were not provided for in the general fund budget for 2020-21. This assigned and designated fund balance is 4.32% of next year's budget. After such designation, unassigned fund balance of \$4,026,393 is 4% of next year's budget.

Funding: The District intends to maintain Unassigned Fund Balance at the statutory maximum of 4% of current budget.

Other Funds:

Special Aid Fund:

Purpose: The fund is used to account for activities using specific revenue sources, including Federal and State grants that are legally restricted to expenditures for specified purposes.

School Lunch Fund:

Purpose: The fund is used to account for the activities of the District's school lunch activities.

Other Comments: The assigned unappropriated fund balance must be utilized in support of the school program and may include equipment upgrades and cafeteria renovations. Fund balance at June 30, 2018, 2019 and 2020 was approximately 1.88, 3.69 and 4.45 months average expenditure, respectively.

Funding: Federal regulations limit the net cash resources to be retained by the school lunch fund to 3 months average expenditure and requires a plan to expend excess funds. In 2020-21, the District plans to:

1. Purchase of pre-approved equipment items including ranges and ovens, refrigeration equipment, food preparation equipment, food warmers and service equipment.
2. Equipment repairs and service.
3. Equipment rental.
4. Materials and supplies.
5. To pay salaries for Cafeteria Monitors who have monitoring duties integral to the food service program in each of the District's elementary cafeterias.

Debt Service Fund:

Purpose: The fund is used to account for the proceeds of debt issuance, including interest earned on such proceeds. These monies must be used to pay the debt service of the obligations from which they originate.

Explanation for change: The debt service fund increased \$43,505 in 2018-19 and \$22,857 in 2019-20, primarily allocated interest.

Capital Projects Fund:

Purpose: The fund is used to pay for certain specific capital projects authorized by the voters.

Explanation for change: On December 3, 2014, the District voters approved a Capital Projects Bond Referendum for projects totaling \$22,690,870, which was funded by up to \$19,493,194 of bonds and a transfer from the general fund of \$466,676, \$2.4 million of 2010 Capital Reserve funds and a \$250,000 gift from the Manhasset School Community Association. The net change in the capital projects fund balance in fiscal 2019 is an increase of \$1,245,510. This net increase is primarily due to new debt issuance proceeds of \$643,194, offset by expenditures of \$459,439 pursuant to the 2014 Capital Projects Bond Referendum and construction of security vestibules, a transfer from the general fund of \$867,410, including \$811,000 pursuant to the 2019 Capital Project Proposition, receipt of a grant of \$100,000 for security related projects and gifts of 94,345 related to the 2018 Capital Projects Proposition. The net change in fiscal 2020 is a decrease of \$506,873, due to expenditures of \$1,340,249 pursuant to the 2014 Capital Projects Bond Referendum, the 2018 Smart Schools Bond Act, construction of security vestibules and the 2019 Capital Projects, offset by grants of \$57,216 related to New York State's Smart Schools Bond Act, a transfer from the 2010 Capital Reserve of \$73,860 pursuant to the 2019 Capital Projects Proposition and earned interest.