

**MANHASSET UNION FREE SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

**MANHASSET UNION FREE SCHOOL DISTRICT  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Manhasset Union Free School District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Manhasset Union Free School District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and schedule of changes in District's total other post-employment benefits liability and related ratios on pages 5 through 20 and 66 through 70, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, New York  
October 31, 2024

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a discussion and analysis of the Manhasset Union Free School District’s (the “District”), financial performance for the fiscal year ended June 30, 2024. This section is a summary of the District’s financial activities based on currently known facts, decisions, and conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2024 are as follows:

- The District’s total net deficit, as reflected in the District-Wide Financial Statements, decreased by \$573,437, or 0.55%. This decrease in the deficit was due to an excess of revenues over expenses based on the accrual basis of accounting.
- On the District-Wide Financial Statements, revenues increased by \$5,444,080 or 5.01%. Most of the increase was in real property taxes and other tax items, operating grants and contributions, and use of money and property. Expenses decreased by \$4,300,068 or 3.65% primarily due to decreases in general support and instruction, partially offset by an increase in debt service – interest.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year’s budget, which can be retained by the general fund up to 4.00% of the ensuing year’s budget. At the end of the current fiscal year the District was within the statutory limit.
- The voters approved the general fund budget in the amount of \$111,286,207 for the fiscal year 2024-2025. This represents a 3.30% increase over the prior year.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

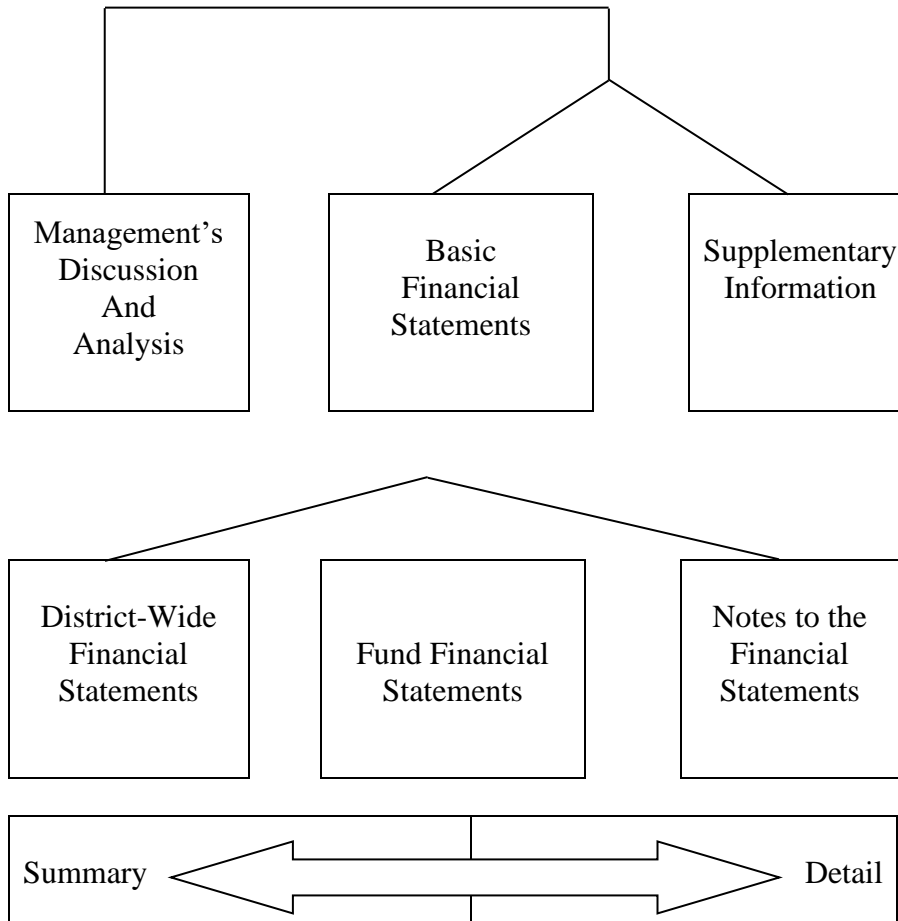
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Statements.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
- *Fiduciary Fund Statements* provide information about the financial relationships in which the District acts solely as a trustee or custodian for resources that belong to others. The District reports on the custodial fund which accounts for real property taxes collected on behalf of other governments and disbursed to other governments.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. The table below shows how the various parts of this annual report are arranged and related to one another.

Organization of the District’s Annual Financial Report



**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The Table below summarizes the major features of the District’s financial statements, including the portion of the District’s activities that they cover and the types of information that they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as property taxes collected on behalf of another local government.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid



**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**A. District-Wide Statements**

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District's net position and how it has changed. Net position is the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

In the District-Wide Financial Statements, the District's activities are shown as *Governmental activities*. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Real property taxes and state aid finance most of these activities.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase, build or finance said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation or amortization expense is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in the Government-Wide Financial Statements and does not affect the governmental fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  - *Net investment in capital assets*;
  - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation;
  - *Unrestricted net position* (deficit) is net position that does not meet any of the above restrictions.

**B. Fund Financial Statements**

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds*: Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Statements, additional information in a separate schedule explains the relationship (or differences) between them. In summary, the government fund statements focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, capital projects fund, and debt service fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.
- *Fiduciary fund*: The District is the custodian or *fiduciary* for assets that belong to others. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments and utilizes the economic reserve measurement focus and the accrual basis of accounting. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A. Net Position**

The District's net deficit decreased by \$573,437 in the fiscal year ended June 30, 2024, as detailed below.

Condensed Statement of Net Position – Governmental Activities

	2024	2023	Change	Total Percentage Change
Current assets	\$ 33,381,842	\$ 21,380,232	\$ 12,001,610	56.13%
Noncurrent assets	90,065,418	76,696,386	13,369,032	17.43%
Total Assets	123,447,260	98,076,618	25,370,642	25.87%
Deferred outflows of resources	44,143,079	62,707,208	(18,564,129)	(29.60%)
Total Assets and Deferred Outflows	167,590,339	160,783,826	6,806,513	4.23%
Current liabilities	15,349,142	11,112,290	4,236,852	38.13%
Long-term liabilities	184,273,626	207,845,761	(23,572,135)	(11.34%)
Total Liabilities	199,622,768	218,958,051	(19,335,283)	(8.83%)
Deferred inflows of resources	72,556,907	46,988,548	25,568,359	54.41%
Total Liabilities and Deferred Inflows	272,179,675	265,946,599	6,233,076	2.34%
Net Position (Deficit)				
Net investment in capital assets	60,334,470	56,026,042	4,308,428	7.69%
Restricted	7,615,215	3,260,821	4,354,394	133.54%
Unrestricted (deficit)	(172,539,021)	(164,449,636)	(8,089,385)	4.92%
Total Net Position (Deficit)	\$ (104,589,336)	\$ (105,162,773)	\$ 573,437	(0.55%)

Current assets increased by \$12,001,610 or 56.13% from the prior year due to an increase in cash and cash equivalents.

Noncurrent assets increased by \$13,369,032 or 17.43% as a result of capital asset additions exceeding depreciation expense.

The change in deferred outflows of resources represents amortization of the deferred amounts on refunding, as well as amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 13, and the amortization of deferred outflows related to the total other post-employment benefits obligation, as discussed in Note 15.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Current liabilities increased \$4,236,852 or 38.13% from the prior year due to an increase in accounts payable and accrued interest payable, partially offset by a decrease in due to teachers' retirement system.

Long-term liabilities decreased by \$23,572,135 or 11.34% as a result of changes in actuarial valuations for employees' retirement system, teachers' retirement system and total other post-employment benefits obligation, partially offset by increases in bond anticipation note payable and energy performance contract debt payable.

The change in deferred inflows of resources represents amortization of pension related items, as discussed in Note 13, and the amortization of deferred inflows related to the total other post-employment benefits obligation, as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets at cost, such as land, construction in progress, buildings and building improvements, furniture and equipment, and site improvements, net of accumulated depreciation.

The restricted net position at June 30, 2024, relates to the District's general reserves established for specific purposes and amounts restricted for scholarships and donations, capital projects, and debt service. Restricted net position increased by \$4,354,394 or 133.54%.

The unrestricted deficit in the amount of \$172,539,021 increased over the prior year by \$8,089,385 or 4.92% primarily due to the impacts of GASB Statement No. 68 and GASB Statement No. 75.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**B. Changes in Net Position**

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2024 and 2023, are as follows:

Change in Net Position from Operating Results Governmental Activities Only

	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 3,257,320	\$ 3,152,140	\$ 105,180	3.34%
Operating grants and contributions	3,765,682	2,047,887	1,717,795	83.88%
General Revenues				
Real property taxes and other tax items	98,723,957	96,142,456	2,581,501	2.69%
Use of money and property	967,571	215,377	752,194	349.25%
Sale of property and compensation for loss	24,667	43,974	(19,307)	(43.91%)
Other	1,637,747	1,353,664	284,083	20.99%
State sources	5,646,125	5,623,491	22,634	0.40%
Total Revenues	<u>114,023,069</u>	<u>108,578,989</u>	<u>5,444,080</u>	5.01%
Expenses				
General support	14,529,644	15,284,088	(754,444)	(4.94%)
Instruction	90,195,629	94,333,655	(4,138,026)	(4.39%)
Pupil transportation	5,860,702	5,986,835	(126,133)	(2.11%)
Debt service - interest	1,249,173	591,169	658,004	111.31%
Food service program	1,614,484	1,553,953	60,531	3.90%
Total Expenses	<u>113,449,632</u>	<u>117,749,700</u>	<u>(4,300,068)</u>	(3.65%)
Total Change in Net Position	<u>\$ 573,437</u>	<u>\$ (9,170,711)</u>	<u>\$ 9,744,148</u>	(106.25%)

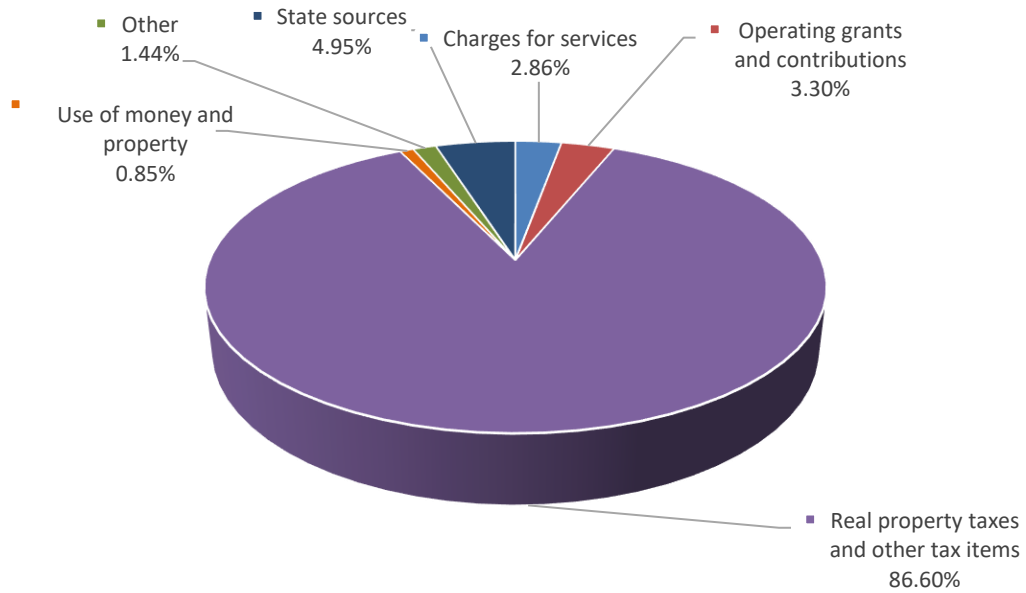
Real property taxes and other tax items, and state sources accounted for most of the District's revenue by contributing 86.60% and 4.95%, respectively, of total revenue. The remainder came from fees from charges for services, operating grants and contributions, use of money and property, and other miscellaneous sources.

Charges for services increased by \$105,180 due to an increase in tuition, health service and recreation fees. Operating grants and contributions increased by \$1,717,795 primarily in state and federal grant revenues received for District programs. Real property taxes and other tax items increased by \$2,581,501 in accordance with the voter approved budget.

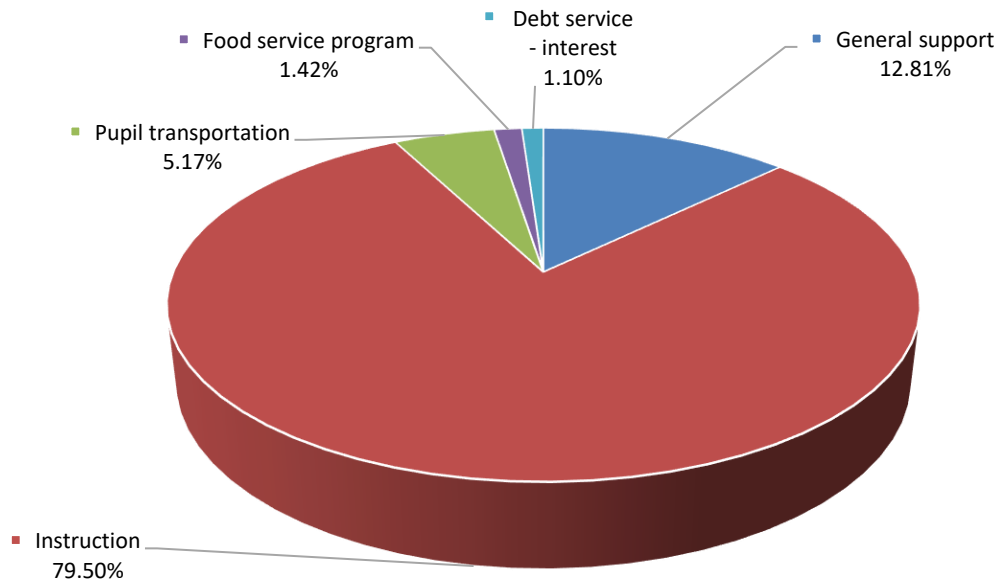
The total cost of all programs and services totaled \$113,449,632 for the year. These expenses are predominantly related to instruction costs which account for 79.50% of District expenses. The District's general support activities accounted for 12.81% of total costs. Instruction-related costs decreased by \$4,138,026 or 4.39% due to the impact of allocations of the net change in pensions and other post-employment benefit related costs.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Revenues for Fiscal Year 2024:



Expenses for Fiscal Year 2024:



**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Variances between years for the Governmental Fund Financial Statements are not the same as variances between years for the District-Wide Financial Statements. The District's governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

As of June 30, 2024, the District's combined governmental funds reported a total fund balance of \$18,629,817 which is an increase of \$8,254,612 from the prior year.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A summary of the changes in fund balance for all funds are as follows:

	2024	2023	Increase/ (Decrease)	Total Percentage Change
<b>General Fund</b>				
Restricted:				
Teachers' Retirement System	\$ 750,000	\$ -	\$ 750,000	N/A
Capital	4,672,776	2,503,659	2,169,117	86.64%
Repair	349,006	311,324	37,682	12.10%
Assigned:				
Appropriated for subsequent year's expenditures	840,266	724,067	116,199	16.05%
Encumbrances	1,052,531	599,166	453,365	75.67%
Unassigned:				
Unassigned	4,451,448	4,309,820	141,628	3.29%
Total Fund Balance - General Fund	<u>\$ 12,116,027</u>	<u>\$ 8,448,036</u>	<u>\$ 3,667,991</u>	43.42%
<b>School Lunch Fund</b>				
Nonspendable - inventory	\$ 6,992	\$ -	\$ 6,992	N/A
Assigned - unappropriated fund balance	980,431	836,068	144,363	17.27%
Total Fund Balance - School Lunch Fund	<u>\$ 987,423</u>	<u>\$ 836,068</u>	<u>\$ 151,355</u>	18.10%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted for scholarships and donations	\$ 290,953	\$ 260,635	\$ 30,318	11.63%
Assigned - unappropriated fund balance	332,153	395,952	(63,799)	(16.11%)
Total Fund Balance - Miscellaneous Special Revenue Fund	<u>\$ 623,106</u>	<u>\$ 656,587</u>	<u>\$ (33,481)</u>	(5.10%)
<b>Capital Projects Fund</b>				
Unspent debt proceeds	\$ 3,136,212	\$ 57,024	\$ 3,079,188	5399.81%
Assigned - unappropriated fund balance	214,569	192,287	22,282	11.59%
Total Fund Balance - Capital Projects Fund	<u>\$ 3,350,781</u>	<u>\$ 249,311</u>	<u>\$ 3,101,470</u>	1244.02%
<b>Debt Service Fund</b>				
Restricted for debt service	<u>\$ 1,552,480</u>	<u>\$ 185,203</u>	<u>\$ 1,367,277</u>	738.26%
Total Fund Balance - All Funds	<u>\$ 18,629,817</u>	<u>\$ 10,375,205</u>	<u>\$ 8,254,612</u>	79.56%

**A. General Fund**

A summary of changes in revenues, other financing sources, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2024 and 2023 is as follows:



**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	2024	2023	Increase/ (Decrease)	Total Percentage Change
<b>Revenues</b>				
Real property taxes	\$ 96,297,812	\$ 93,448,492	\$ 2,849,320	3.05%
Other tax items	2,426,145	2,693,964	(267,819)	(9.94%)
Charges for services	1,189,022	1,187,411	1,611	0.14%
Use of money and property	960,740	206,079	754,661	366.20%
Sale of property and compensation for loss	24,667	43,974	(19,307)	(43.91%)
Miscellaneous	340,339	265,614	74,725	28.13%
Library debt service reimbursement	1,023,125	1,026,500	(3,375)	(0.33%)
State sources	5,646,125	5,623,491	22,634	0.40%
Federal sources	1,397,298	229,653	1,167,645	508.44%
<b>Total Revenues</b>	<u>109,305,273</u>	<u>104,725,178</u>	<u>4,580,095</u>	4.37%
<b>Other Financing Sources</b>				
Premium on obligations	230,590	-	230,590	N/A
Operating transfers in	57,024	-	57,024	N/A
<b>Total Other Financing Sources</b>	<u>287,614</u>	<u>-</u>	<u>287,614</u>	N/A
<b>Expenditures</b>				
General support	11,274,106	11,165,252	108,854	0.97%
Instruction	59,260,863	57,639,819	1,621,044	2.81%
Pupil transportation	5,351,577	5,524,972	(173,395)	(3.14%)
Employee benefits	25,578,193	25,310,434	267,759	1.06%
Debt service - interest	281,944	71,700	210,244	293.23%
<b>Total Expenditures</b>	<u>101,746,683</u>	<u>99,712,177</u>	<u>2,034,506</u>	2.04%
<b>Other Financing Uses</b>				
Operating transfers out	4,178,213	4,088,573	89,640	2.19%
<b>Total Other Financing Uses</b>	<u>4,178,213</u>	<u>4,088,573</u>	<u>89,640</u>	2.19%
<b>Net Change in Fund Balances</b>	<u>\$ 3,667,991</u>	<u>\$ 924,428</u>	<u>\$ 2,743,563</u>	296.78%

Revenues increased when compared to the prior year, primarily due to the following:

- Real property taxes increased due to a rise in the tax levy in accordance with the 2023-2024 voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- Revenues from federal sources increased due to FEMA reimbursements received in the current year.

Expenditures increased when compared to the prior year, primarily due to the following:

- Instruction increased due to salary increases and pupil service expenditures.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Teachers' retirement system	\$ -	\$ 750,000	\$ -	\$ -	\$ 750,000
Capital	2,503,659	1,866,078	303,039		4,672,776
Repair	311,324		37,682		349,006
Total Restricted Fund Balance	<u>\$ 2,814,983</u>	<u>\$ 2,616,078</u>	<u>\$ 340,721</u>	<u>\$ -</u>	<u>\$ 5,771,782</u>

**B. School Lunch Fund**

The net change in the school lunch fund balance is a net increase of \$151,355 and is due to state and federal reimbursements and food sales exceeding cost of sales.

**C. Miscellaneous Special Revenue Fund**

The miscellaneous special revenue fund balance had a net decrease of \$33,481 due to extraclassroom expenditures exceeding revenues, partially offset by scholarships donations exceeding scholarships awarded.

**D. Capital Projects Fund**

The fund balance in the capital projects fund increased by \$3,101,470 primarily due to proceeds from other financing sources exceeding capital outlay.

**E. Debt Service Fund**

The debt service fund restricted fund balance had a net increase of \$1,367,277, which is primarily due to interest earnings and operating transfers in from the general fund.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2023-2024 Budget**

The District's general fund adopted budget for the year ended June 30, 2024, was \$107,733,004. This amount was increased by encumbrances carried over from the prior year in the amount of \$599,166, and budget revisions of \$940,704, which resulted in a final budget of \$109,272,874. The budget was funded through a combination of revenues and assigned/designated fund balance. The majority of the funding was \$98,743,807 in budgeted real property taxes and other tax items.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**B. Change in the General Fund Unassigned Fund Balance**

The general fund unassigned fund balance is the component of total fund balance that is the cumulative residual of prior years' excess revenues over expenditures, net of transfers to restricted fund balances and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The components of the change in this balance in 2023-2024 follow:

Opening unassigned fund balance	\$ 4,309,820
Revenues and other financing sources over budget	2,511,590
Expenditures, other financing uses, and encumbrances under budget	2,295,447
Appropriated fund balance - budget revisions	(868,344)
Funding of reserves	(2,616,078)
Interest allocated to reserves	(340,721)
Appropriated for next year's budget	(840,266)
Closing unassigned fund balance	<u>\$ 4,451,448</u>

The opening unassigned fund balance of \$4,309,820 is the June 30, 2023, unassigned fund balance.

The revenues and other financing sources over budget of \$2,511,590 were primarily in other tax items, use of money and property, state aid, and federal grants. Please see Supplemental Schedule #1 for further detail.

The expenditures, other financing uses, and encumbrances under budget of \$2,295,447 represents savings across the budget but were primarily attributable to general support and instruction.

The District had appropriated unassigned fund balance of \$432,015 and \$436,329 in budget revisions during the year for logo changes and special education expenses and contract services, respectively.

The District funded \$750,000 to the teachers' retirement reserve and \$1,866,078 to the capital reserve.

Revenues such as interest earned in a general fund reserve increased the reserve and, therefore, decreased the unassigned portion of the fund balance within the general fund. Interest was allocated to the reserves in accordance with District policy.

The appropriated fund balance of \$840,266 for the June 30, 2025 budget is the amount the District has chosen to use to partially fund its operating budget for 2024-2025.

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District will close the 2023-2024 fiscal year with \$4,451,448 in unassigned fund balance. NYS Real Property Tax Law § 1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within this legal limit.

**6. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**A. Capital Assets**

At June 30, 2024, the District had invested in a broad range of capital assets, including land, buildings and improvements, and furniture and equipment for school purposes. A summary of the District's capital assets, net of depreciation at June 30, 2024 and 2023 is as follows:

Capital Assets (Net of Accumulated Depreciation)

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Land	\$ 1,421,877	\$ 1,421,877	-	0.00%
Construction in progress	6,083,607	6,712,048	(628,441)	(9.36%)
Building and building improvements	120,890,918	112,420,971	8,469,947	7.53%
Furniture and equipment	24,216,687	15,229,278	8,987,409	59.01%
Site improvements	237,022	237,022	-	0.00%
Subtotal	<u>152,850,111</u>	<u>136,021,196</u>	<u>16,828,915</u>	<u>12.37%</u>
Less: accumulated depreciation	<u>62,784,693</u>	<u>59,324,810</u>	<u>3,459,883</u>	<u>5.83%</u>
Total capital assets, net	<u>\$ 90,065,418</u>	<u>\$ 76,696,386</u>	<u>\$ 13,369,032</u>	<u>17.43%</u>

Depreciation expense was \$3,459,883 for fiscal year ended June 30, 2024. See Note 8 to the financial statements for additional information.

**B. Debt Administration**

A summary of outstanding debt at June 30, 2024 and 2023 is as follows:

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Bonds payable	\$ 17,800,000	\$ 19,490,000	\$ (1,690,000)	(8.67%)
Unamortized premiums on bonds	673,529	827,549	(154,020)	(18.61%)
Bond anticipation note payable	11,000,000	-	11,000,000	N/A
Energy performance contract debt payable	<u>7,595,359</u>	<u>279,378</u>	<u>7,315,981</u>	<u>2618.67%</u>
	<u>\$ 37,068,888</u>	<u>\$ 20,596,927</u>	<u>\$ 16,471,961</u>	<u>79.97%</u>

Principal payments were made in 2023-24 of \$1,690,000 for outstanding bonds. Amortization on bond premium was \$154,020. The District issued a bond anticipation note payable of

**MANHASSET UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

\$11,000,000 during the year. The District issued \$7,595,359 of energy performance contract debt payable during the year offset by principal payments on existing debt of \$279,378. See Note 12 to the financial statements for more information.

**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- A) The voters approved the general fund budget in the amount of \$111,286,207 for the fiscal year 2024-2025. This represents a 3.30% increase over the prior year.
- B) New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.
- C) Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:
  - Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
  - Increased costs associated with meeting the requirements for instructional services.
  - Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
  - Rising inflation as well as interest rates, which can affect all areas of the budget.
  - The property tax cap as discussed above.

**8. CONTACTING THE DISTRICT**

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Requests for additional information can be directed to:

Dr. Sam Gergis  
Assistant Superintendent for Business and Operations  
Manhasset Union Free School District  
200 Memorial Place  
Manhasset, NY 11030

**MANHASSET UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

<b>ASSETS</b>	
Current assets	
Cash and cash equivalents:	
Unrestricted	\$ 17,497,037
Restricted	10,751,427
Receivables:	
Taxes receivable	1,554,152
Accounts receivable	154,983
State and federal aid	2,005,444
Due from other governments	1,411,807
Inventory	6,992
Noncurrent assets	
Nondepreciable capital assets	7,505,484
Depreciable capital assets, net of accumulated depreciation	82,559,934
<b>TOTAL ASSETS</b>	<u>123,447,260</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts on refunding	46,084
Pensions	22,600,331
Other post-employment benefits obligation	21,496,664
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>44,143,079</u>
 <b>LIABILITIES</b>	
Current liabilities	
Accounts payable	8,222,381
Accrued liabilities	186,767
Due to other governments	352,581
Due to teachers' retirement system	5,092,427
Due to employees' retirement system	332,979
Other liabilities	356,734
Accrued interest payable	597,117
Collections in advance	208,156
Long-term liabilities	
Due and payable within one year:	
Bonds payable (inclusive of unamortized premiums)	1,909,020
Energy performance contract debt payable	44,136
Compensated absences payable	12,890
Due to employees' retirement system	89,406
Total other post-employment benefits obligation	5,233,116
Due and payable after one year:	
Bond anticipation note payable	11,000,000
Bonds payable (inclusive of unamortized premiums)	16,564,509
Energy performance contract debt payable	7,551,223
Compensated absences payable	116,007
Workers' compensation claims payable	273,405
Due to employees' retirement system	278,341
Net pension liability-proportionate share - employees' retirement system	3,212,676
Net pension liability-proportionate share - teachers' retirement system	2,780,058
Total other post-employment benefits obligation	135,208,839
<b>TOTAL LIABILITIES</b>	<u>199,622,768</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	3,169,066
Other post-employment benefits obligation	69,387,841
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>72,556,907</u>
 <b>NET POSITION</b>	
Net investment in capital assets	60,334,470
Restricted	7,615,215
Unrestricted (deficit)	<u>(172,539,021)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (104,589,336)</u>

**MANHASSET UNION FREE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>FUNCTIONS / PROGRAMS</b>				
General support	\$ (14,529,644)	\$ -	\$ -	\$ (14,529,644)
Instruction	(90,195,629)	1,731,615	3,338,398	(85,125,616)
Pupil transportation	(5,860,702)		151,554	(5,709,148)
Debt service - interest	(1,249,173)			(1,249,173)
Food service program	(1,614,484)	1,525,705	275,730	186,951
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<u>\$ (113,449,632)</u>	<u>\$ 3,257,320</u>	<u>\$ 3,765,682</u>	<u>(106,426,630)</u>
 <b>GENERAL REVENUES</b>				
Real property taxes				96,297,812
Other tax items - including STAR reimbursement				2,426,145
Use of money and property				967,571
Sale of property and compensation for loss				24,667
Miscellaneous				589,443
Library debt service reimbursement				1,023,125
State sources				5,646,125
Federal sources				25,179
<b>TOTAL GENERAL REVENUES</b>				<u>107,000,067</u>
 <b>CHANGE IN NET POSITION</b>				573,437
 <b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>				<u>(105,162,773)</u>
 <b>TOTAL NET POSITION (DEFICIT) - END OF YEAR</b>				<u>\$ (104,589,336)</u>

**MANHASSET UNION FREE SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents:							
Unrestricted	\$ 15,861,071	\$ 138,745	\$ 1,161,843	\$ 335,378	\$ -	\$ -	\$ 17,497,037
Restricted	10,176,036			290,953	96,524	187,914	10,751,427
Receivables:							
Taxes receivable	1,554,152						1,554,152
Accounts receivable	154,983						154,983
State and federal aid	632,254	1,343,365	29,825				2,005,444
Due from other governments	1,411,807						1,411,807
Due from other funds	1,197,838		211,302		4,418,804	1,364,566	7,192,510
Inventory			6,992				6,992
<b>TOTAL ASSETS</b>	<u>\$ 30,988,141</u>	<u>\$ 1,482,110</u>	<u>\$ 1,409,962</u>	<u>\$ 626,331</u>	<u>\$ 4,515,328</u>	<u>\$ 1,552,480</u>	<u>\$ 40,574,352</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 6,673,597	\$ 205,535	\$ 294,424	\$ -	\$ 1,048,825	\$ -	\$ 8,222,381
Accrued liabilities	184,847	1,920					186,767
Due to other governments	352,581						352,581
Due to other funds	5,878,949	1,194,614		3,225	115,722		7,192,510
Due to teachers' retirement system	5,092,427						5,092,427
Due to employees' retirement system	332,979						332,979
Other liabilities	356,734						356,734
Collections in advance		80,041	128,115				208,156
<b>TOTAL LIABILITIES</b>	<u>18,872,114</u>	<u>1,482,110</u>	<u>422,539</u>	<u>3,225</u>	<u>1,164,547</u>	<u>-</u>	<u>21,944,535</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Inventory			6,992				6,992
Restricted:							
Teachers' retirement system	750,000						750,000
Capital reserve	4,672,776						4,672,776
Repairs	349,006						349,006
Unspent bond proceeds					3,136,212		3,136,212
Debt service						1,552,480	1,552,480
Scholarships and donations				290,953			290,953
Assigned:							
Appropriated fund balance	840,266						840,266
Unappropriated fund balance	1,052,531		980,431	332,153	214,569		2,579,684
Unassigned:							
Unassigned fund balance	4,451,448						4,451,448
<b>TOTAL FUND BALANCES</b>	<u>12,116,027</u>	<u>-</u>	<u>987,423</u>	<u>623,106</u>	<u>3,350,781</u>	<u>1,552,480</u>	<u>18,629,817</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 30,988,141</u>	<u>\$ 1,482,110</u>	<u>\$ 1,409,962</u>	<u>\$ 626,331</u>	<u>\$ 4,515,328</u>	<u>\$ 1,552,480</u>	<u>\$ 40,574,352</u>



**MANHASSET UNION FREE SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

Total Governmental Fund Balances \$ 18,629,817

Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 152,850,111	
Accumulated depreciation	<u>(62,784,693)</u>	90,065,418

Deferred outflows of resources - The Statement of Net Position recognizes expenses incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows will be recognized as expenditures in future periods were as follows:

Deferred outflows of resources related to deferred amounts on refunding	\$ 46,084	
Deferred outflows of resources related to pensions	22,600,331	
Deferred outflows of resources related to other post-employment benefits obligation	<u>21,496,664</u>	44,143,079

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Accrued interest payable relating to long-term liabilities at year end consisted of: (597,117)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bond anticipation note payable	\$ (11,000,000)	
Bonds payable (inclusive of unamortized premiums)	(18,473,529)	
Energy performance contract debt payable	(7,595,359)	
Compensated absences payable	(128,897)	
Workers' compensation claims payable	(273,405)	
Due to employees' retirement system	(367,747)	
Net pension liability-proportionate share-employees' retirement system	(3,212,676)	
Net pension liability-proportionate share-teachers' retirement system	(2,780,058)	
Total other post-employment benefits obligation	<u>(140,441,955)</u>	(184,273,626)

Deferred inflows of resources - The Statement of Net Position recognized revenues and expenses received under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. Deferred inflows will be recognized as a revenue or a reduction in expense in future periods were as follows:

Deferred inflows of resources related to pensions	\$ (3,169,066)	
Deferred inflows of resources related to other post-employment benefits obligation	<u>(69,387,841)</u>	<u>(72,556,907)</u>

Total Net Position \$ (104,589,336)

**MANHASSET UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<b>REVENUES</b>							
Real property taxes	\$ 96,297,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,297,812
Other tax items	2,426,145						2,426,145
Charges for services	1,189,022			542,593			1,731,615
Use of money and property	960,740			4,046		2,785	967,571
Sale of property and compensation for loss	24,667						24,667
Miscellaneous	340,339		18,514	58,088			416,941
Library debt service reimbursement	1,023,125						1,023,125
State sources	5,646,125	466,364	11,179				6,123,668
Federal sources	1,397,298	1,593,381	193,350				3,184,029
Surplus food			71,201				71,201
Sales			1,525,705				1,525,705
<b>TOTAL REVENUES</b>	<u>109,305,273</u>	<u>2,059,745</u>	<u>1,819,949</u>	<u>604,727</u>	<u>-</u>	<u>2,785</u>	<u>113,792,479</u>
<b>EXPENDITURES</b>							
General support	11,274,106						11,274,106
Instruction	59,260,863	2,059,085		638,208			61,958,156
Pupil transportation	5,351,577	151,554					5,503,131
Employee benefits	25,578,193						25,578,193
Debt service - principal						1,969,378	1,969,378
Debt service - interest	281,944					620,445	902,389
Cost of sales			1,741,598				1,741,598
Capital outlay					15,436,865		15,436,865
<b>TOTAL EXPENDITURES</b>	<u>101,746,683</u>	<u>2,210,639</u>	<u>1,741,598</u>	<u>638,208</u>	<u>15,436,865</u>	<u>2,589,823</u>	<u>124,363,816</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>7,558,590</u>	<u>(150,894)</u>	<u>78,351</u>	<u>(33,481)</u>	<u>(15,436,865)</u>	<u>(2,587,038)</u>	<u>(10,571,337)</u>
<b>OTHER FINANCING SOURCES AND AND (USES)</b>							
Premiums on obligations	230,590						230,590
Proceeds from energy performance contract					7,595,359		7,595,359
Proceeds from bond anticipation note					11,000,000		11,000,000
Operating transfers in	57,024	150,894	73,004			3,954,315	4,235,237
Operating transfers (out)	(4,178,213)				(57,024)		(4,235,237)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>(3,890,599)</u>	<u>150,894</u>	<u>73,004</u>	<u>-</u>	<u>18,538,335</u>	<u>3,954,315</u>	<u>18,825,949</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,667,991	-	151,355	(33,481)	3,101,470	1,367,277	8,254,612
<b>FUND BALANCES - BEGINNING OF YEAR</b>	8,448,036	-	836,068	656,587	249,311	185,203	10,375,205
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,116,027</u>	<u>\$ -</u>	<u>\$ 987,423</u>	<u>\$ 623,106</u>	<u>\$ 3,350,781</u>	<u>\$ 1,552,480</u>	<u>\$ 18,629,817</u>

**MANHASSET UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances \$ 8,254,612

Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating expenses are measured by amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used.

Increase in accrued interest payable	\$ (489,854)	
Amortization expense of bond premiums and deferred amounts on debt	143,070	
Amortization expense on Employees' Retirement System Contribution Stabilization Program	86,517	
Increase in compensated absences payable	(128,897)	
Increase in workers' compensation claims payable	<u>(49,453)</u>	(438,617)

Changes in the proportionate share of net pension asset/liability, total other post employment benefits obligation, and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' retirement system	\$ (778,479)	
Teachers' retirement system	(3,699,328)	
Other post-employment benefits	<u>492,198</u>	(3,985,609)

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are capitalized and reported on the Statement of Net Position and allocated to the governmental functions. Depreciation is based on the useful lives of the asset and are expensed as incurred on the Statement of Activities:

Capital outlays	\$ 16,828,915	
Depreciation expense	<u>(3,459,883)</u>	13,369,032

Long-Term Debt Differences

Proceeds from long-term liabilities are recorded as other financing sources in the governmental funds, but increases long-term liabilities on the Statement of Net Position and does not affect the Statement of Activities. Proceeds from long-term liabilities were as follows:

Proceeds from bond anticipation note payable	\$ (11,000,000)	
Proceeds from energy performance contract	<u>(7,595,359)</u>	(18,595,359)

Repayment of long-term liabilities is reported as an expenditure in the governmental funds, but reduces long-term liabilities on the Statement of Net Position and does not affect the Statement of Activities. Repayment of long-term liabilities were as follows:

Repayment of bond principal	\$ 1,690,000	
Repayment of energy performance contract debt payable	<u>279,378</u>	1,969,378

Change in Net Position \$ 573,437

**MANHASSET UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND**  
**JUNE 30, 2024**

	<b>Custodial</b>
<b>ASSETS</b>	
Due from governmental funds	\$ -
<b>TOTAL ASSETS</b>	\$ -
 <b>LIABILITIES</b>	
Due to other funds	\$ -
<b>TOTAL LIABILITIES</b>	-
 <b>NET POSITION</b>	
Restricted	-
<b>TOTAL NET POSITION</b>	-
 <b>TOTAL LIABILITIES AND NET POSITION</b>	\$ -

**MANHASSET UNION FREE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Custodial</b>
<b>ADDITIONS</b>	
Real property taxes collected for Library	\$ 5,728,183
<b>TOTAL ADDITIONS</b>	5,728,183
<b>DEDUCTIONS</b>	
Real property taxes disbursed to Library	5,728,183
<b>TOTAL DEDUCTIONS</b>	5,728,183
<b>CHANGE IN NET POSITION</b>	-
<b>NET POSITION - BEGINNING OF YEAR</b>	-
<b>NET POSITION - END OF YEAR</b>	\$ -

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Manhasset Union Free School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described below:

**A) Reporting Entity:**

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the “Board”) consisting of five members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. The Board has authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District’s reporting entity.

**B) Joint Venture:**

The District is a component district in the Board of Cooperative Educational Services of Nassau County (“BOCES”). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES is organized under Section §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of the BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section §1950 of the New

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section §1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative, program, and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, Section §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

**C) Basis of Presentation:**

District-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants, if applicable.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

**General Fund:** This fund is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**Special Aid Fund:** This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

**School Lunch Fund:** This fund is used to account for the activities of the District's food service operations. The school lunch operations are primarily supported by federal and state grants and charges to participants for its services.

**Miscellaneous Special Revenue Fund:** This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations, such as scholarships and donations. Other activities included in this fund are extraclassroom activities.

**Capital Projects Fund:** This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

**Debt Service Fund:** This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary fund:

**Fiduciary Fund:** This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund, which is used to account for real property taxes collected on behalf of other governments and disbursed to other governments. This fund is custodial in nature.

**D) Measurement Focus and Basis of Accounting:**

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-Wide and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.



**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on bonds payable, energy performance contract payable, compensated absences, workers' compensation claims, net pension liabilities, total other post-employment benefits obligation, and claims and judgments, if applicable, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

**E) Real Property Taxes:**

Calendar:

Real property taxes are levied annually by Nassau County at the request of the Board of Education and are collected by the Town of North Hempstead tax receivers. Such taxes are due and payable in equal installments on October 1<sup>st</sup> and April 1<sup>st</sup> but may be paid without penalty by November 10<sup>th</sup> and May 10<sup>th</sup>, respectively. Taxes are collected during the period 2023-2024.

Enforcement:

Uncollected real property taxes are subsequently enforced by Nassau County (the "County"). The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following July 1.

**F) Payments in Lieu of Taxes (PILOT):**

The District reports PILOT revenues in the general fund as part of other tax items revenues. These PILOT revenues are often the result of tax abatements granted by industrial development agencies of the Town and/or the County to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected payments to the District. The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-2016 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes with annual increases of no more than 2.00% in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the

**MANHASSET UNION FREE SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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governments. The District received \$1,544,674 in LIPA PILOT revenue during the 2023-2024 fiscal year.

**G) Restricted Resources:**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

**H) Interfund Transactions:**

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfers of expenditures and revenues to provide financing or other services.

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, apart from those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

**I) Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent items at the date of the financial statements, and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of useful lives of capital assets, compensated absences payable, workers' compensation claims payable, net pension asset/liabilities, total other post-employment benefits, and potential contingent liabilities, if applicable.

**J) Cash and Cash Equivalents:**

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**K) Receivables:**

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**L) Inventory:**

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market value. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for inventory is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods are consumed.

Purchases of inventoriable items in other funds are recorded as expenses/expenditures at the time of purchase and are considered immaterial in amount.

A portion of fund balance in the school lunch fund has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

**M) Capital Assets:**

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost when the information is available, or estimated historical cost, based on professional independent third-party information. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and Building Improvements	\$500	Straight-line	50 years
Furniture and Equipment	\$500	Straight-line	5-20 years
Site Improvements	\$500	Straight-line	20 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2024, the District has not recorded any such impairment losses.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**N) Deferred Outflows and Inflows of Resources:**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that qualify for reporting in this category. First is the unamortized amount of deferred amounts from the refunding of bonds that is being amortized as a component of interest expense on a straight-line basis over the life of the debt, detailed further in Note 10. The other amounts are related to pensions and total other post-employment benefits obligation reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category. The amounts are related to pensions and total other post-employment benefits obligation reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15, respectively.

**O) Short-Term Debt:**

The District may issue revenue anticipation notes (RAN) and tax anticipation notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent liabilities that will be extinguished by the use of expendable, available resources of the fund.

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter. See Note 11 for further detail.

**P) Collections in Advance:**

Collections in advance arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures or when charges for services monies are received in advance from payers prior to services being rendered by the District, such as prepaid lunch amounts and health insurance billings. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Collections in advance consist of amounts received in advance for grants in the special aid fund and for amounts received in advance for meals that have not yet been purchased in the school lunch fund.

**Q) Employee Benefits - Compensated Absences:**

Compensated absences consist of unpaid accumulated vacation time.

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Fund Financial Statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30<sup>th</sup>.

**R) Other Benefits:**

Eligible District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure as a liability for premiums mature (come due for payments). In the District-Wide Financial Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**S) Long-Term Debt:**

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the debt service fund.

In the Fund Financial Statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the District-Wide Financial Statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

**T) Equity Classifications:**

District-Wide Financial Statements:

In the District-Wide Financial Statements, there are three classes of net position:

Net investment in capital assets consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, net of any unexpended proceeds and including any unamortized items (discounts, premiums, deferred amount on refunding), if applicable.

Restricted net position reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

**Nonspendable fund balance** includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2024, the District had a nonspendable fund balance of \$6,992 in the school lunch fund for inventory.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**Restricted fund balance** includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has classified the following as restricted:

Retirement Contribution Reserve (GML §6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. A board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. The District accounts for the teachers' retirement reserve in the general fund.

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The reserve is accounted for in the general fund.

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. The reserve is accounted for in the general fund.

Restricted for Unspent Bond Proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Restricted for Debt Service represents the unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of borrowings, and borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the debt service fund.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Restricted for Scholarships and Donations represents amounts restricted for scholarships and donations which are to be used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted in the miscellaneous special revenue fund.

Unrestricted Resources: When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

**Committed fund balance** includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e., Board). The District has no committed fund balances as of June 30, 2024.

**Assigned fund balance** includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance also includes Board designations and encumbrances not classified as restricted or committed at the end of the fiscal year. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund.

**Unassigned fund balance** includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance at June 30, 2024 is within the legal limit. See Supplemental Schedule #5 for more information.

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board of Education if voter approval is not required. Amendments or modifications to the applied or transferred fund balance must be approved by formal action of the Board of Education.

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end



**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted or assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**U) Future Accounting Pronouncements:**

GASB issued Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences by implementing a unified model and amended previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023.

The Statement above is not an all-inclusive list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the Statement above and implement the provisions as applicable.

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:**

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial Statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

**A) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:**

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

**B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:**

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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Long-Term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the Fund Financial Statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial Statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

**A) Budgets:**

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5, where applicable.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

**B) Encumbrances:**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assignments or restrictions of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.

**NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:**

**A) Cash and Cash Equivalents:**

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A) Uncollateralized;
- B) Collateralized with securities held by the pledging financial institution in the District's name; or
- C) Collateralized with securities held by the pledging financial institution's trust department or custodian, but not in the District's name.

The District's aggregate bank balances were covered by depository insurance, collateralized with securities held by the District's custodian, a third-party financial

**MANHASSET UNION FREE SCHOOL DISTRICT  
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institution in the District's name, or collateralized with securities held by the pledging financial institution in the District's name at year end.

**B) Restricted Cash and Cash Equivalents:**

Restricted cash and cash equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as June 30, 2024, included \$10,751,427 within the governmental funds for general fund reserves and amounts restricted for scholarships and donations, capital projects, and debt service.

**C) Investments:**

The District does not purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

**NOTE 5 – PARTICIPATION IN BOCES:**

During the fiscal year ended June 30, 2024, the District was billed \$4,297,195 for BOCES administrative and program costs. The District's share of BOCES aid totaled \$686,386. Financial statements for the BOCES are available from the Board of Cooperative Educational Services of Nassau County administrative office at 71 Clinton Road Garden City, NY 11530-9195.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:**

State and federal aid receivables at June 30, 2024 consisted of the following:

General Fund	
Excess cost aid	\$ 390,794
ICF and CRP aid	241,460
Total - General Fund	<u>632,254</u>
Special Aid Fund	
State grants	181,328
Federal grants	1,162,037
Total - Special Aid Fund	<u>1,343,365</u>
School Lunch Fund	
State reimbursement	1,947
Federal reimbursement	27,878
Total - School Lunch Fund	<u>29,825</u>
Total - All Funds	<u>\$ 2,005,444</u>

District management has deemed the amounts to be fully collectible.

**NOTE 7 – DUE FROM OTHER GOVERNMENTS:**

Due from other governments in the general fund at June 30, 2024 consisted of the following:

General Fund	
Other districts - charges for services	\$ 897,008
BOCES share of state aid receivable	514,799
Total Due from Other Governments	<u>\$ 1,411,807</u>

District management has deemed the amounts to be fully collectible.

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**NOTE 8 - CAPITAL ASSETS:**

**A) Capital Assets**

Capital asset balances and activity for the fiscal year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 1,421,877	\$ -	\$ -	\$ 1,421,877
Construction in progress	6,712,048	7,841,506	(8,469,947)	6,083,607
Total nondepreciable capital assets:	<u>8,133,925</u>	<u>7,841,506</u>	<u>(8,469,947)</u>	<u>7,505,484</u>
Depreciable capital assets:				
Building and building improvements	112,420,971		8,469,947	120,890,918
Furniture and equipment	15,229,278	8,987,409		24,216,687
Site improvements	237,022			237,022
Total depreciable capital assets:	<u>127,887,271</u>	<u>8,987,409</u>	<u>8,469,947</u>	<u>145,344,627</u>
Less accumulated depreciation:				
Building and building improvements	47,310,847	2,689,765		50,000,612
Furniture and equipment	11,776,941	770,118		12,547,059
Site improvements	237,022			237,022
Total accumulated depreciation	<u>59,324,810</u>	<u>3,459,883</u>	<u>-</u>	<u>62,784,693</u>
Total depreciable capital assets, net	<u>68,562,461</u>	<u>5,527,526</u>	<u>8,469,947</u>	<u>82,559,934</u>
Capital assets, net	<u>\$ 76,696,386</u>	<u>\$ 13,369,032</u>	<u>\$ -</u>	<u>\$ 90,065,418</u>

Depreciation expense was charged to the governmental functions as follows:

General support	\$ 509,295
Instruction	2,629,857
Pupil transportation	252,225
Food service program	68,506
Total depreciation expense	<u>\$ 3,459,883</u>

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:**

Interfund balances at June 30, 2024 and interfund activity for the fiscal year ended June 30, 2024 are as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General fund	\$ 1,197,838	\$ 5,878,949	\$ 57,024	\$ 4,178,213
Special aid fund		1,194,614	150,894	
School lunch fund	211,302		73,004	
Miscellaneous special revenue fund		3,225		
Capital projects fund	4,418,804	115,722		57,024
Debt service fund	1,364,566		3,954,315	
Totals	<u>\$ 7,192,510</u>	<u>\$ 7,192,510</u>	<u>\$ 4,235,237</u>	<u>\$ 4,235,237</u>

The District typically transfers from the general fund to the special aid fund to fund the District's share of costs for the summer program for students with disabilities required by New York State Law and to fund State Supported Section 4201 schools. The District also transferred from the general fund to the school lunch fund to reimburse the school lunch fund for reimbursable meals collected in the general fund. The District typically transfers from the general fund to the debt service fund to fund the District's annual debt service requirements. The capital projects fund transferred to the general fund remaining balances on completed capital projects.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

**NOTE 10 – DEFERRED OUTFLOWS OF RESOURCES**

As of June 30, 2024, the deferred amounts pertaining to the 2019 library bond refunding as recorded in the District-Wide Financial Statements as a deferred outflows of resources – library refunding was \$46,084.

The deferred amounts on the 2019 library debt refunding are being amortized on the District-Wide Financial Statements using the straight-line method over 10 years, the time to maturity of the refunded bonds, at the point of refunding. Amortization of deferred amounts are included as a component of interest expense in the District-Wide Financial Statements. Amortization for the year ended June 30, 2024 was \$10,950.

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**NOTE 11 – SHORT-TERM DEBT**

Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	6/21/2024	5.00%	\$ -	\$ 7,000,000	\$ 7,000,000	\$ -
BAN	8/30/2024	5.00%	-	11,000,000	-	11,000,000
Total			<u>\$ -</u>	<u>\$ 18,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 11,000,000</u>

On August 31, 2023, the District issued a tax anticipation note in the amount of \$7,000,000, and bears an interest rate of 5.00%, and a premium on issuance of \$77,910 for an effective net interest rate of 3.6231%. Total interest paid during the fiscal year was \$281,944.

On August 31, 2023, the District issued a bond anticipation note in the amount of \$11,000,000, and bears an interest rate of 5.00%, and a premium on issuance of \$152,680, for an effective interest rate of 3.612%. The \$11,000,000 was recorded on the Statement of Net Position as a long-term liability due and payable after one year as a result of amounts being renewed prior to the issuance of the financial statements.

**NOTE 12 – LONG-TERM LIABILITIES:**

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Long-term debt:					
Bonds payable	\$ 19,490,000	\$ -	\$ (1,690,000)	\$ 17,800,000	\$ 1,755,000
Plus: unamortized premiums on bonds	827,549		(154,020)	673,529	154,020
	<u>20,317,549</u>	-	<u>(1,844,020)</u>	<u>18,473,529</u>	<u>1,909,020</u>
Other long-term liabilities:					
Bond anticipation note payable	-	11,000,000	-	11,000,000	
Energy performance contract debt payable	279,378	7,595,359	(279,378)	7,595,359	44,136
Compensated absences payable	-	128,897		128,897	12,890
Workers' compensation claims payable	223,952	225,163	(175,710)	273,405	
Due to employees' retirement system	454,264		(86,517)	367,747	89,406
Net pension liability - proportionate share					
Employees' retirement system	4,637,550		(1,424,874)	3,212,676	
Teachers' retirement system	4,801,433		(2,021,375)	2,780,058	
Total other post-employment benefits obligation	<u>177,131,635</u>	<u>9,532,804</u>	<u>(46,222,484)</u>	<u>140,441,955</u>	<u>5,233,116</u>
Total long-term liabilities	<u>\$ 207,845,761</u>	<u>\$ 28,482,223</u>	<u>\$ (52,054,358)</u>	<u>\$ 184,273,626</u>	<u>\$ 7,288,568</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, bond anticipation note payable, energy performance contract debt payable, compensated absences



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payable, workers' compensation claims payable, amounts due to retirement systems under the pension stabilization contribution option, net pension liabilities, and the current portion of other post-employment benefits obligation.

**A) Bonds Payable:**

Bond payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2024</u>
School construction	2016	2036	2.00% - 3.00%	\$ 4,750,000
School construction	2016	2037	3.00% - 3.50%	4,290,000
School construction	2017	2037	2.00% - 3.00%	3,845,000
School construction	2019	2030	1.75% - 5.00%	345,000
Library construction	2019	2029	4.00% - 5.00%	4,570,000
				<u>\$ 17,800,000</u>

The following is a summary of debt service requirements for bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,755,000	\$ 561,419	\$ 2,316,419
2026	1,825,000	496,969	2,321,969
2027	1,880,000	429,894	2,309,894
2028	1,960,000	359,813	2,319,813
2029	2,020,000	291,463	2,311,463
2030-2034	5,290,000	937,644	6,227,644
2035-2037	3,070,000	162,748	3,232,748
	<u>\$ 17,800,000</u>	<u>\$ 3,239,950</u>	<u>\$ 21,039,950</u>

Upon default of the payment of principal and interest on serial bonds, the bond holders have the right to litigate, and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount withheld to the payment of the defaulted principal or interest with respect to serial bonds.

**Unissued Debt**

On December 8, 2022, voters approved a bond authorization for a total estimated cost not to exceed \$43,926,484 to finance various District upgrades to security systems, infrastructure, and facilities. As of June 30, 2024, the District had authorized but unissued debt of \$32,926,484.

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**B) Energy Performance Contract Debt Payable:**

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Energy performance contract debt payable	6/26/2024	6/26/2039	4.13%	<u>\$ 7,595,359</u>

The District had an energy performance contract debt payable issued on June 15, 2012, with a stated interest rate of 1.99% that matured on June 15, 2024. Payments for the year included \$279,378 of principal and \$4,034 of interest.

The following is a summary of debt service requirements for energy performance contract debt payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 44,136	\$ 313,688	\$ 357,824
2026	407,953	307,696	715,649
2027	424,975	290,674	715,649
2028	442,708	272,941	715,649
2029	461,180	254,469	715,649
2030-2034	2,611,123	967,122	3,578,245
2035-2039	3,203,284	374,960	3,578,244
	<u>\$ 7,595,359</u>	<u>\$ 2,781,550</u>	<u>\$ 10,376,909</u>

**C) Long-Term Interest:**

Interest on long-term debt for the year was composed of:

Interest paid	\$ 620,445
Less accrued interest in the prior year	(107,263)
Plus accrued interest in the current year	597,117
Plus amortization on deferred amounts	10,950
Less bond premium amortization	<u>(154,020)</u>
Total interest expense on long-term debt	<u>\$ 967,229</u>

**D) Premiums on Bonds:**

Premiums on bonds, net of amortization, reported as a component of bonds payable, amounted to \$673,529 as of June 30, 2024. This represents premiums received pertaining to the 2016 district and 2019 library refunding's bond issuance. The premium on refunding of library debt is being amortized on the District-Wide Financial Statements

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using the straight-line method over 10 years, the time to maturity of the library refunded bonds, at the point of refunding. The premiums on the 2016 issuance and the 2016 refunding of district debt are being amortized on the District-Wide Financial Statements using the straight-line method over 120 months for the bond issuance and 80 months for the bond refunding, the time to maturity of the district refunded bonds, at the point of refunding. Amortization is included as a component of interest expense in the District-Wide Financial Statements. Total amortization expense during the fiscal year was \$154,020.

**NOTE 13 – PENSION PLANS:**

**A) Plan Description and Benefits Provided:**

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the "System"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the "System"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that

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pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244.

**A) Funding Policies:**

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
  - a. Employees who joined the system after July 27, 1976, and before January 1, 2010
    - i. Employees contribute 3% of their salary, except those employees in the system more than ten years are no longer required to contribute.
  - b. Employees who joined the system on or after January 1, 2010 but before April 1, 2012
    - i. Employees contribute 3.5% of their salary throughout active membership.
  - c. Employees who joined the system on or after April 1, 2012
    - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.
2. New York State Employees' Retirement System
  - a. Employees who joined the system after July 27, 1976, and before January 1, 2010
    - i. Employees contribute 3% of their salary, except those employees in the system more than ten years are no longer required to contribute.
  - b. Employees who joined the system on or after January 1, 2010 but before April 1, 2012
    - i. Employees contribute 3% of their salary throughout active membership.
  - c. Employees who joined the system on or after April 1, 2012
    - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31<sup>st</sup>. The District's contribution rates for ERS' fiscal year ended March 31, 2024,

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for covered payroll was 18.10% for Tier 2, 14.90% for Tier 3 and 4, 12.90% for Tier 5, and 9.50% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2024, was 9.76% of covered payroll.

The District's contributions made to the Systems prior to 2013-14 were equal to 100% of the contributions required for each year. In Spring 2013, the governing entity for NYSERS approved a Stable Contribution Option ("SCO") that gives districts the ability to better manage the spikes in ARCs. The plan allows districts to pay the ARC amount or to opt into the SCO.

Under the NYSERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to opt into the plan is permanent. However, the District can choose not to defer payment in any given year. Interest is based on comparable duration U.S. Treasury securities, plus 1%.

The District opted into the NYSERS SCO in 2013-14, and fully paid off in 2015-16, the balance due for amounts deferred in 2013-14 under the NYSERS SCO. This represented an accelerated repayment by the District.

The District opted into the NYSERS SCO in 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 and deferred \$453,573, \$293,366, \$118,704, \$96,586 and \$28,937 respectively, net of amortizations and timing differences. The total amount deferred under the NYSERS SCO at June 30, 2024 is \$367,747, reflecting the net remaining balances deferred in 2014-15, through 2018-19. The District will annually evaluate its deferral options under the NYSERS SCO.

The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	NYSERS		
	NYSERS	SCO	NYSTRS
	<u>          </u>	<u>          </u>	<u>          </u>
2024	\$ 1,047,277	\$ (367,747)	\$ 4,427,112
2023	\$ 1,146,749	\$ (454,264)	\$ 4,619,706
2022	\$ 1,250,213	\$ (537,986)	\$ 4,343,368

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**B) Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions:**

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024, for ERS and June 30, 2023, for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation with update procedures used to roll forward the total pension assets/(liability). The District's proportion of the net pension asset/(liability) was based on an actuarially determined projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	\$ (3,212,676)	\$ (2,780,058)
District's portion of the Plan's total net pension asset/(liability)	0.0218192%	0.243100%
Change in proportion since prior Measurement date	0.0001929%	-0.0071190%

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$8,125,356 for TRS and \$1,672,285 for ERS. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MANHASSET UNION FREE SCHOOL DISTRICT  
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	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 1,034,801	\$ 6,740,900	\$ 87,601	\$ 16,659
Net difference between projected and actual earnings on pension plan	-	1,421,110	1,569,375	-
Changes of assumptions	1,214,641	5,985,381	-	1,304,481
Changes in proportion and differences between the District's contributions and proportionate share of contributions	511,467	931,941	62	190,888
District's contributions subsequent to the measurement date	332,979	4,427,111		
	<u>\$ 3,093,888</u>	<u>\$ 19,506,443</u>	<u>\$ 1,657,038</u>	<u>\$ 1,512,028</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Plan Year Ended:		
2024		\$ 1,331,525
2025	\$ (362,648)	(1,259,801)
2026	775,910	11,304,757
2027	1,008,165	957,682
2028	(317,556)	776,873
Thereafter	-	456,268
	<u>\$ 1,103,871</u>	<u>\$ 13,567,304</u>

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.30%	1.95% - 5.18%
Cost-of-living adjustments	1.5% annually	1.3% annually
Decrements	April 1, 2015 - March 31, 2020	July 1, 2019 - June 30, 2023
	System's Experience	System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2023, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For TRS, the long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns net of investment expense and inflation) for each major asset class as well as historical investment data and plan performance.



**MANHASSET UNION FREE SCHOOL DISTRICT  
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Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2024		June 30, 2023	
	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
<u>Asset type</u>	<u>Allocation</u>	<u>expected real rate</u>	<u>Allocation</u>	<u>expected real rate of return</u>
Domestic equity	32%	4.00%	33%	6.8%
International equity	15%	6.65%	15%	7.6%
Global equity			4%	7.2%
Private equity	10%	7.25%	9%	10.1%
Real estate	9%	4.60%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	3%	5.79%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	23%	1.50%	16%	2.2%
Global bonds			2%	1.6%
High-yield bonds			1%	4.4%
Private debt			2%	6.0%
Real estate debt			6%	3.2%
Cash equivalents			1%	0.3%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.90% for ERS, and 2.40% for TRS.

#### Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

#### Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset/(liability)	\$ (10,100,983)	\$ (3,212,676)	\$ 2,540,489
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset/(liability)	\$ (42,341,686)	\$ (2,780,058)	\$ 30,492,983

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	\$(240,696,851)	\$(138,365,122)
Plan Fiduciary Net Position	<u>225,972,801</u>	<u>137,221,537</u>
Employers' net pension asset/(liability)	<u>\$(14,724,050)</u>	<u>\$(1,143,585)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%	99.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2024, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$332,979. In addition, a provision is made in payables for amortization payments due under the ERS SCO of \$25,025.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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For TRS, employer and employee contributions for the fiscal year ended June 30, 2024, are paid to the System in September, October and November 2024 through a state aid deduction and remittance to be paid by TRS. Accrued retirement contributions as of June 30, 2024, represent employee and employer contributions for the fiscal year ended June 30, 2024, based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024, amounted to \$5,092,427.

**NOTE 14 – PENSION PLANS – OTHER:**

**A) Tax Sheltered Annuities:**

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and by the employees for the fiscal year ended June 30, 2024, totaled \$68,219 and \$2,548,583 respectively.

**B) Deferred Compensation Plan:**

The District has established a deferred compensation plan in accordance with Internal Revenue Code Section §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2024, totaled \$603,436.

**NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):**

**A) General Information about the OPEB Plan:**

Plan Description

The District's Other Post-Employment Benefit Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP) Empire Plan. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 76% and 100% of premiums for retirees, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2024, the District and retirees contributed an estimated \$4,721,465 to the Plan, including \$4,721,465 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees and beneficiaries currently receiving benefit payments	420
Inactive employees and beneficiaries not receiving benefits	1
Active employees	<u>443</u>
Total	<u>864</u>

**B) Total OPEB Liability:**

The District’s Total OPEB liability of \$140,441,955 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023, with update procedures used to roll forward the OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Discount rate	3.93%
Healthcare cost trend rates	In 2023, 7.0% for non-medicare, 5.00% for medicare, decreasing to an ultimate rate of 5.0% in 2027, and later years
Retirees' share of benefit-related costs	6% to 24% of health insurance premiums for retirees and surviving spouse coverage

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The assumed discount rate was changed from 3.65% at June 30, 2023 to 3.93% at June 30, 2024.



**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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	<u>1% Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$120,061,521</u>	<u>\$140,441,955</u>	<u>\$166,668,862</u>

**D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$4,229,267. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,026,803	\$ 32,104,611
Changes of assumptions or other inputs	<u>10,469,861</u>	<u>37,283,230</u>
	<u>\$ 21,496,664</u>	<u>\$ 69,387,841</u>

Amounts reported as deferred outflows of resources and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ended June 30:	
2025	\$ (5,303,537)
2026	(10,459,667)
2027	(12,092,147)
2028	(11,566,777)
2029	(7,562,273)
Thereafter	<u>(906,776)</u>
Total	<u>\$ (47,891,177)</u>

**NOTE 16 – ASSIGNED: APPROPRIATED FUND BALANCE**

The amount of \$840,266 has been appropriated to reduce taxes for the year ending June 30, 2025.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 17 – RESTRICTED FOR CAPITAL RESERVE**

The following is a summary of the District’s restricted capital reserve activity since inception:

	<u>Capital Reserve</u>	<u>Capital Reserve</u>	
Date Created	2018	2010	
Number of Years to Fund	10	10	
Maximum Funding	\$ 10,000,000	\$ 10,000,000	
<b>General Fund</b>			<u>Total</u>
Funding Provided	\$ 6,032,505	\$ 10,000,000	\$ 16,032,505
Interest Earnings	377,558	361,214	738,772
Use of Reserve	(2,098,501)	(10,000,000)	(12,098,501)
Total General Fund	<u>\$ 4,311,562</u>	<u>\$ 361,214</u>	<u>\$ 4,672,776</u>
<b>Capital Projects Fund</b>			
Funding Provided	\$ 2,098,501	\$ 10,000,000	\$ 12,098,501
Use of Reserve	(2,098,501)	(10,000,000)	(12,098,501)
Total Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of June 30, 2024	<u>\$ 4,311,562</u>	<u>\$ 361,214</u>	<u>\$ 4,672,776</u>

**NOTE 18 – RISK MANAGEMENT:**

**A) General Information:**

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**B) Consortiums and Self-Insured Plans:**

The District participated in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its property and liability insurance coverage. The pool is operated for the benefit of the individual governmental units located within the pool’s geographic area and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain defined limits, and the District has essentially transferred all related risk to the pool. The District also maintains certain policies outside of NYSIR to supplement or insure specific risks.

The District participates in the Nassau County Workers Compensation Self-Insured Plan (the Workers’ Compensation Plan), a risk sharing pool, to insure workers’ compensation claims. This is a public entity risk pool created under Article 5 of the Workers’

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Compensation Law to administer claims, finance liability and manage risks related to workers' compensation claims. The District pays an annual assessment determined by the Plan's Board of Trustees. In the event that the Plan has insufficient funds to meet its obligations, the Plan's Board of Trustees may issue supplemental assessments to the Plan's members. Plan members who withdraw or are terminated from the Plan's membership will assume responsibilities for all open and unpaid claims associated with them. Long-term liabilities include \$273,405 for reported claims which were incurred through June 30, 2024. The District's share of the total liability discounted at 2% for incurred but unpaid claims and incurred but not reported claims is \$1,092,430. As of June 30, 2024, the Workers' Compensation Plan has plan assets of \$29,737,411 to pay these liabilities.

Prior to joining the Nassau County Workers Compensation self-insurance plan, the District was self-funded for workers compensation claims. Self-funded workers' compensation balances and activity for the current and proceeding year ended June 30th are as follows:

	<u>2024</u>	<u>2023</u>
Unpaid claims at beginning of year	\$ 1,057,000	\$ 1,077,775
Incurred claims and claim adjustment expenses	84,883	48,164
Claim payments and adjustments	(49,453)	(68,939)
Unpaid claims at year end	<u>\$ 1,092,430</u>	<u>\$ 1,057,000</u>

**NOTE 19 – COMMITMENT AND CONTINGENCIES:**

**A) Encumbered:**

All encumbrances are classified as assigned or restricted fund balance. At June 30, 2024, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance

General Fund

General support	\$ 731,073
Instruction	311,736
Pupil transportation	898
Employee benefits	8,824
	<u>\$ 1,052,531</u>

Restricted and assigned:

Special Aid Fund

Instruction	<u>\$ 441,549</u>
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**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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School Lunch Fund	
Food service operations	<u>\$ 88,937</u>
Capital Projects Fund	
Capital outlay	<u>\$ 3,626,635</u>
Total encumbrances	<u><u>\$ 5,209,652</u></u>

**B) Grants:**

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

**C) Litigation:**

The District has received notices of claim and is involved in lawsuits, both arising from the normal conduct of its affairs. These matters are in various stages of the litigation process or are being appealed. Certain lawsuits may seek damages in excess of insurance coverage in place at the time or may not be covered by insurance. The District has established accrued liabilities for use in the event of an adverse outcome of these matters, in accordance with the Governmental Accounting Standards Board Statement No. 62, Paragraph 100. In the opinion of the District, there are no material claims which, if ultimately determined against the District, would have an adverse material effect on the financial condition of the District in the current year.

**NOTE 20 - TAX ABATEMENTS:**

The Town of North Hempstead, under the authority of Section 577 of New York Private Housing Finance Law, entered into property tax abatement programs with various housing development fund companies for the purpose of economic development, and general prosperity and economic welfare of the Towns. The Districts tax abatement information was not available at the time of financial statement publishing. The District received Payments in Lieu of Taxes (PILOT) payments totaling \$36,008 for these programs during the fiscal year.

The District also received PILOTs from the County related to the Long Island Power Authority. These PILOTs are not considered tax abatements as the purpose of this agreement was not to abate taxes.

**MANHASSET UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 21 – SUBSEQUENT EVENTS:**

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through October 31, 2024, and concluded the following subsequent events have occurred:

- A) On August 29, 2024, the District issued a tax anticipation note in the amount of \$10,500,000, and bears an interest rate of 4.00%, and a premium on issuance of \$67,410 resulting in a net interest cost of \$292,090.
  
- B) On August 29, 2024, the District issued a bond anticipation note in the amount of \$18,800,000, and bears an interest rate of 4.00%, and a premium on issuance of \$156,228, resulting in a net interest cost of \$595,772.

**SUPPLEMENTARY INFORMATION**

**MANHASSET UNION FREE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUES</b>				
Local Sources				
Real property taxes	\$ 97,143,275	\$ 97,143,275	\$ 96,297,812	\$ (845,463)
Other tax items	1,600,532	1,600,532	2,426,145	825,613
Charges for services	1,230,195	1,230,195	1,189,022	(41,173)
Use of money and property	230,000	230,000	960,740	730,740
Sale of property and compensation for loss	30,000	30,000	24,667	(5,333)
Miscellaneous	242,749	315,109	340,339	25,230
Library debt service reimbursement	1,023,125	1,023,125	1,023,125	-
State Sources				
State aid	5,484,061	5,484,061	5,646,125	162,064
Federal Sources				
Medicaid reimbursements	25,000	25,000	25,179	179
Federal grants	-	-	1,372,119	1,372,119
Other financing sources				
Premium on obligations	-	-	230,590	230,590
Transfers from other funds	-	-	57,024	57,024
<b>TOTAL REVENUES</b>	<u>\$ 107,008,937</u>	<u>\$ 107,081,297</u>	<u>\$ 109,592,887</u>	<u>\$ 2,511,590</u>
Appropriated fund balance	724,067	1,592,411		
Appropriated reserves	<u>599,166</u>	<u>599,166</u>		
<b>TOTAL REVENUES, APPROPRIATED FUND BALANCE AND RESERVES</b>	<u>\$ 108,332,170</u>	<u>\$ 109,272,874</u>		

**Note to Required Supplementary Information**Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**MANHASSET UNION FREE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
<b>EXPENDITURES</b>					
General Support					
Board of education	\$ 122,241	\$ 125,708	\$ 120,760	\$ -	\$ 4,948
Central administration	366,691	366,691	353,820	-	12,871
Finance	1,205,524	1,385,351	1,383,855	1,496	-
Staff	974,662	1,539,745	1,515,575	2,097	22,073
Central services	7,594,489	7,730,954	6,954,832	727,480	48,642
Special items	892,468	945,264	945,264	-	-
Total General Support	<u>11,156,075</u>	<u>12,093,713</u>	<u>11,274,106</u>	<u>731,073</u>	<u>88,534</u>
Instruction					
Instruction, administration, and improvemer	3,092,744	3,193,549	3,188,586	4,963	-
Teaching regular school	30,714,681	30,299,676	30,039,130	38,273	222,273
Programs for children with handicap conditions	13,351,830	13,706,433	13,527,648	10,104	168,681
Occupational education	72,335	86,802	86,802	-	-
Teaching- special schools	24,000	24,124	24,123	-	1
Instructional media	5,412,495	5,245,950	5,021,806	31,036	193,108
Pupil services	7,377,530	7,772,356	7,372,768	227,360	172,228
Total Instruction	<u>60,045,615</u>	<u>60,328,890</u>	<u>59,260,863</u>	<u>311,736</u>	<u>756,291</u>
Pupil Transportation	<u>5,815,929</u>	<u>5,352,475</u>	<u>5,351,577</u>	<u>898</u>	<u>-</u>
Employee Benefits	<u>26,998,236</u>	<u>26,981,537</u>	<u>25,578,193</u>	<u>8,824</u>	<u>1,394,520</u>
Debt service - interest	<u>82,000</u>	<u>281,944</u>	<u>281,944</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>104,097,855</u>	<u>105,038,559</u>	<u>101,746,683</u>	<u>1,052,531</u>	<u>2,239,345</u>
Other Financing Uses					
Transfers to other funds	<u>4,234,315</u>	<u>4,234,315</u>	<u>4,178,213</u>	<u>-</u>	<u>56,102</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 108,332,170</u>	<u>\$ 109,272,874</u>	<u>105,924,896</u>	<u>\$ 1,052,531</u>	<u>\$ 2,295,447</u>
<b>NET CHANGE IN FUND BALANCE</b>			3,667,991		
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>8,448,036</u>		
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 12,116,027</u>		

**Note to Required Supplementary Information**

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**MANHASSET UNION FREE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)  
FOR THE TEN FISCAL YEARS ENDED JUNE 30,**

	<b>NYSERS Pension Plan</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension asset/(liability)	0.0218192%	0.0216263%	0.0196302%	0.0180632%	0.0180660%	0.0188791%	0.0188249%	0.0185850%	0.0196989%	0.0199034%
District's proportionate share of the net pension asset/(liability)	\$ (3,212,676)	\$ (4,637,550)	\$ 1,604,686	\$ (17,986)	\$ (4,783,980)	\$ (1,337,643)	\$ (607,564)	\$ (1,746,287)	\$ (3,161,723)	\$ (672,386)
District's covered payroll	\$ 8,333,460	\$ 8,199,181	\$ 8,161,056	\$ 7,603,254	\$ 7,766,058	\$ 7,394,693	\$ 7,467,050	\$ 7,161,106	\$ 6,802,586	\$ 6,421,165
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	38.55%	56.56%	19.66%	0.24%	61.60%	18.09%	8.14%	24.39%	46.48%	10.47%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
	<b>NYSTRS Pension Plan</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension asset/(liability)	0.243100%	0.250219%	0.259824%	0.250587%	0.251874%	0.257382%	0.260177%	0.265540%	0.260418%	0.255969%
District's proportionate share of the net pension asset/(liability)	\$ (2,780,058)	\$ (4,801,433)	\$ 45,024,947	\$ (6,924,405)	\$ 6,543,704	\$ 4,654,155	\$ 1,977,606	\$ (2,844,041)	\$ 27,049,135	\$ 28,513,321
District's covered payroll	\$ 46,631,247	\$ 45,381,553	\$ 44,639,783	\$ 43,400,747	\$ 43,159,293	\$ 43,108,944	\$ 42,043,664	\$ 41,531,772	\$ 39,984,542	\$ 38,554,664
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	5.96%	10.58%	100.86%	15.95%	15.16%	10.80%	4.70%	6.85%	67.65%	73.96%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

**Note to Required Supplementary Information**

The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

**MANHASSET UNION FREE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS  
FOR THE LAST TEN FISCAL YEARS**

<b>NYSERS Pension Plan</b>										
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,047,277	\$ 1,146,749	\$ 1,250,213	\$ 1,249,795	\$ 1,126,894	\$ 1,167,632	\$ 1,057,595	\$ 988,469	\$ 926,100	\$ 1,162,241
Contributions in relation to the contractually required contribution	1,047,277	1,146,749	1,250,213	1,249,795	1,126,894	1,167,632	1,057,595	988,469	926,100	1,162,241
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 8,345,774	\$ 8,211,309	\$ 8,139,138	\$ 8,056,328	\$ 7,808,133	\$ 7,471,508	\$ 7,442,763	\$ 7,151,177	\$ 6,853,361	\$ 6,696,766
Contributions as a percentage of covered payroll	12.55%	13.97%	15.36%	15.51%	14.43%	15.63%	14.21%	13.82%	13.51%	17.36%
<b>NYSTRS Pension Plan</b>										
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 4,427,112	\$ 4,619,706	\$ 4,343,368	\$ 4,202,768	\$ 3,769,741	\$ 4,464,846	\$ 4,108,623	\$ 4,832,101	\$ 5,433,344	\$ 6,857,442
Contributions in relation to the contractually required contribution	4,427,112	4,619,706	4,343,368	4,202,768	3,769,741	4,464,846	4,108,623	4,832,101	5,433,344	6,857,442
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 46,725,186	\$ 46,631,247	\$ 45,381,553	\$ 44,639,783	\$ 43,400,747	\$ 43,159,293	\$ 43,108,944	\$ 42,043,664	\$ 41,531,777	\$ 39,984,542
Contributions as a percentage of covered payroll	9.47%	9.91%	9.57%	9.41%	8.69%	10.35%	9.53%	11.49%	13.08%	17.15%

Note: The above amounts for NYSTRS exclude the effects of the 2015 Stabilization Contribution Option entered into by the District.

Note: The above amounts for NYSERS exclude the effects of the 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 Stabilization Contribution Option entered into by the District.

**MANHASSET UNION FREE SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE FISCAL YEARS ENDED JUNE 30,**

<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 4,290,868	\$ 6,123,845	\$ 8,969,758	\$ 6,821,857	\$ 4,291,977	\$ 5,170,461	\$ 5,306,455
Interest	5,241,936	6,257,464	4,668,652	4,227,401	5,451,609	5,149,830	4,769,500
Changes of benefit terms	-	-	(101,652)	-	(382,999)	-	-
Differences between expected and actual experience	(35,914,679)	-	19,053,068	-	(10,514,786)	51,437	634,882
Changes of assumptions or other inputs	(5,586,340)	(3,088,735)	(49,174,195)	1,724,918	50,862,636	(5,943,927)	-
Benefit payments	(4,721,465)	(5,554,935)	(4,912,319)	(4,667,969)	(4,085,822)	(4,509,369)	(4,752,473)
<b>Net change in Total OPEB Liability</b>	<b>(36,689,680)</b>	<b>3,737,639</b>	<b>(21,496,688)</b>	<b>8,106,207</b>	<b>45,622,615</b>	<b>(81,568)</b>	<b>5,958,364</b>
<b>Total OPEB Liability - beginning</b>	<b>177,131,635</b>	<b>173,393,996</b>	<b>194,890,684</b>	<b>186,784,477</b>	<b>141,161,862</b>	<b>141,243,430</b>	<b>135,285,066</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 140,441,955</b>	<b>\$ 177,131,635</b>	<b>\$ 173,393,996</b>	<b>\$ 194,890,684</b>	<b>\$ 186,784,477</b>	<b>\$ 141,161,862</b>	<b>\$ 141,243,430</b>
<b>Covered-employee payroll</b>	<b>\$ 41,638,225</b>	<b>\$ 47,549,615</b>	<b>\$ 46,414,504</b>	<b>\$ 39,458,941</b>	<b>\$ 38,487,111</b>	<b>\$ 36,046,215</b>	<b>\$ 34,996,325</b>
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	<b>337.29%</b>	<b>372.52%</b>	<b>373.58%</b>	<b>493.91%</b>	<b>485.32%</b>	<b>391.61%</b>	<b>403.60%</b>

**Notes to Schedule:***Trust Assets*

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 to pay related benefits.

*Change of Assumption:*

Changes in the discount rate were as follows: 3.93% 3.65% 3.54% 2.16% 2.21% 3.87% 3.58%

*Trend rate:*

Changes in the trend rate were as follows: 7.0% in 2023 down to 5.0% in 2027 7.0% in 2021 down to 5.0% in 2025 and later 7.0% in 2021 down to 5.0% in 2025 and later 8.0% in 2019 down to 5.0% in 2025 8.0% in 2019 down to 5.0% in 2025

This schedule is intended to show information for 10 years; additional years will be displayed as they become available.



**MANHASSET UNION FREE SCHOOL DISTRICT  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND  
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 107,733,004
Add: Prior year encumbrances	<u>599,166</u>
Original Budget	108,332,170
Budget Revisions:	
Gifts and donations	72,360
Appropriated fund balance - logo change	432,015
Appropriated fund balance - special education expenses and contract services	<u>436,329</u>
Final Budget	<u><u>\$ 109,272,874</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2024-25 voter approved expenditure budget	<u><u>\$ 111,286,207</u></u>
Maximum allowed (4% of the 2024-2025 budget)	<u><u>\$ 4,451,448</u></u>
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 1,892,797
Unassigned fund balance	<u>4,451,448</u>
Total unrestricted fund balance	6,344,245
Less:	
Appropriated fund balance	\$ 840,266
Encumbrances included in assigned fund balance	<u>1,052,531</u>
Total adjustments	<u>1,892,797</u>
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 4,451,448</u></u>
Actual percentage	4.00%

**MANHASSET UNION FREE SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND  
JUNE 30, 2024**

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date				Unexpended Balance	Methods of Financing				Fund Balance June 30, 2024
			Prior Year	Current Year	Transfer to General Fund	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
2014 Capital Projects Bond	\$ 22,609,870	\$ 22,640,026	\$22,583,002	\$ -	\$ 57,024	\$22,640,026	\$ -	\$19,493,194	\$ -	\$ 3,146,832	\$22,640,026	\$ -
2019 Capital Projects	5,830,000	6,080,000	5,441,583	17,621		5,459,204	620,796		250,000	5,373,653	5,623,653	164,449
2021 Capital Projects	1,917,685	1,917,685	1,880,165			1,880,165	37,520			1,917,685	1,917,685	37,520
2022 Capital Projects	3,185,000	3,185,000	2,888,570	283,830		3,172,400	12,600			3,185,000	3,185,000	12,600
2022 Capital Projects Bond	43,996,484	43,996,484	323,733	7,540,055		7,863,788	36,132,696	11,000,000			11,000,000	3,136,212
Energy Performance Contract	7,595,359	7,595,359	-	7,595,359		7,595,359	-	7,595,359			7,595,359	-
<b>TOTAL</b>	<b>\$ 85,134,398</b>	<b>\$ 77,819,195</b>	<b>\$33,117,053</b>	<b>\$15,436,865</b>	<b>\$ 57,024</b>	<b>\$33,151,795</b>	<b>\$36,803,612</b>	<b>\$38,088,553</b>	<b>\$ 250,000</b>	<b>\$13,623,170</b>	<b>\$51,961,723</b>	<b>\$ 3,350,781</b>

**MANHASSET UNION FREE SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS  
JUNE 30, 2024**

<b>Capital assets, net</b>	\$ 90,065,418
<b>Add:</b>	
Unspent bond proceeds	3,136,212
Deferred amounts on refunding	46,084
<b>Deduct:</b>	
Accounts payable	(1,048,825)
Bond anticipation note payable	(11,000,000)
Short-term portion of bonds payable, net	(1,909,020)
Long-term portion of bonds payable, net	(16,564,509)
Less: Debt held for the Library	5,204,469
Short-term portion of energy performance contract debt payable	(44,136)
Long-term portion of energy performance contract debt payable	<u>(7,551,223)</u>
<b>Net investment in capital assets</b>	<u><u>\$ 60,334,470</u></u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education  
Manhasset Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Manhasset Union Free School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, New York  
October 31, 2024