



**Manhasset UFSD
Presentation to the
Board of Education
November 7, 2019**

**Review of Audited
Financial Statements
and Reserves
For the year ended
June 30, 2019**

MANHASSET UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS	
Current assets	
Cash	
Unrestricted	\$9,422,952
Restricted	7,936,889
Receivables	
Taxes receivable	1,579,044
State and federal aid	1,262,206
Due from other governments	1,385,755
Due from fiduciary funds	49,396
Accounts receivable	140,051
Prepaid expenditures	6,765
Non-current assets	
Inventory	307
Capital assets not being depreciated	1,421,877
Capital assets being depreciated, net of accumulated depreciation	73,363,453
Net pension asset - proportionate share- teachers' retirement system	4,654,155
TOTAL ASSETS	101,222,850
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	26,301,574
Deferred charges on library and district debt refunding	287,370
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,588,944
LIABILITIES	
Payables	
Accounts payable	1,157,736
Accrued liabilities	390,953
Accrued interest payable	138,374
Due to other governments	202,114
Due to teachers' retirement system	4,839,453
Due to employees' retirement system	384,934
Compensated absences payable	194,917
Long-term liabilities	
Due and payable within one year	
Due to employees' retirement system	77,664
Energy performance debt	251,065
Bonds payable	2,575,000
Workers' compensation claims payable	8,957
Due and payable after one year	
Due to employees' retirement system	695,613
Energy performance debt	1,055,143
Bonds payable	27,580,000
Workers' compensation claims payable	14,728
Total other postemployment benefits obligation	141,161,862
Net pension liability - proportionate share- employees' retirement system	1,337,643
TOTAL LIABILITIES	182,066,156
DEFERRED INFLOWS OF RESOURCES	
Pensions	6,541,766
Other postemployment benefits	4,831,959
Premium on library and district debt	1,976,817
TOTAL DEFERRED INFLOWS OF RESOURCES	13,350,542
NET POSITION	
Net investment in capital assets	43,598,310
Restricted	
Repair	152,277
Capital	5,666,047
Debt service	160,290
	5,978,614
Unrestricted (deficit)	(117,181,828)
TOTAL NET POSITION (DEFICIT)	(\$67,604,904)

**MANHASSET UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals Governmental Funds</u>
ASSETS						
Cash and cash equivalents						
Unrestricted	\$8,217,727	\$112,529	\$855,952		\$236,744	\$9,422,952
Restricted	5,818,324			\$154,930	1,963,635	7,936,889
Receivables						
Taxes receivable	1,579,044					1,579,044
State and federal aid	302,438	851,113	8,655		100,000	1,262,206
Due from other governments	1,385,755					1,385,755
Due from other funds	954,705		45,916	2,926	867,410	1,870,957
Due from fiduciary funds	49,396					49,396
Accounts receivable	137,129		488	2,434		140,051
Inventories			307			307
Prepaid expenditures	6,765					6,765
TOTAL ASSETS	\$18,451,283	\$963,642	\$911,318	\$160,290	\$3,167,789	\$23,654,322
LIABILITIES AND FUND BALANCES						
Payables						
Accounts payable	\$579,710	\$8,937	\$273,206		\$295,883	\$1,157,736
Accrued liabilities	280,985		109,968			390,953
Due to other governments	202,114					202,114
Due to other funds	913,326	954,705			2,926	1,870,957
Due to teachers' retirement system	4,839,453					4,839,453
Due to employees' retirement system	384,934					384,934
Compensated absences	194,917					194,917
TOTAL LIABILITIES	7,395,439	963,642	383,174	-	298,809	9,041,064
FUND BALANCES						
Nonspendable	6,765		307			7,072
Restricted						
Repair	152,277					152,277
Capital - 2010	5,597,433					5,597,433
Capital - 2018	68,614					68,614
Debt service				160,290		160,290
Unspent bond proceeds					1,963,635	1,963,635
Assigned						
Appropriated fund balance	595,120					595,120
Unappropriated fund balance	655,745		527,837		905,345	2,088,927
Unassigned	3,979,890					3,979,890
TOTAL FUND BALANCES	11,055,844	-	528,144	160,290	2,868,980	14,613,258
TOTAL LIABILITIES AND FUND BALANCES	\$18,451,283	\$963,642	\$911,318	\$160,290	\$3,167,789	\$23,654,322

MANHASSET UNION FREE SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
 JUNE 30, 2019

Project Title	Expenditures to Date			Unexpended Balance	Proceeds of Obligations	Methods of Financing		Total	Fund Balance June 30, 2019
	Original Appropriation	Revised Appropriation	Prior Year's			Federal & State Aid	Local Sources		
2014 Capital Projects Bond	\$22,609,870	\$22,609,870	\$20,373,362	\$1,933,479	\$19,493,194	\$3,116,676	\$22,609,870	\$1,933,479	
2018 Smart Schools Bond Act	93,767	93,767	87,108	6,659			87,108	-	
2019 Security Vestibules	156,410	156,410	156,410	-			156,410	-	
2019 Capital Projects	5,830,000	5,830,000		5,830,000		5,830,000	5,830,000	5,830,000	
TOTAL	\$28,690,047	\$28,690,047	\$20,460,470	\$7,770,138	\$19,493,194	\$8,946,676	\$28,683,388	7,763,479	
					Insurance Claim			30,156 *	
					Future Transfer from 2010 Capital Reserve			(4,924,655)	
					Fund Balance			\$2,868,980	

* The District received an insurance reimbursement for expenditures associated with the 2014 Capital Projects Bond

MANHASSET UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Totals Governmental Funds
REVENUES						
Real property taxes	\$ 84,538,363					\$ 84,538,363
Other tax items - including STAR reimbursement and PILOT's	3,497,149					3,497,149
Charges for services	1,258,046					1,258,046
Use of money and property	329,758			\$ 29,588		359,346
Sale of property and compensation for loss	136,204					136,204
Miscellaneous	195,358				\$ 94,345	289,703
Library debt service reimbursement	1,080,119					1,080,119
State sources	5,207,805	\$ 467,149	\$ 7,797		100,000	5,782,751
Medicaid reimbursements	18,049					18,049
Federal sources	42,223	932,532	120,745			1,095,500
Sales			1,385,516			1,385,516
TOTAL REVENUES	96,303,074	1,399,681	1,514,058	29,588	194,345	99,440,746
EXPENDITURES						
General support	8,962,012					8,962,012
Instruction	53,544,559	1,458,234				55,002,793
Pupil transportation	4,968,806	152,356				5,121,162
Employee benefits	22,583,023					22,583,023
Debt service - principal				2,819,368		2,819,368
Debt service - interest	94,120			1,070,725		1,164,845
Cost of sales			1,326,976			1,326,976
Capital outlay			104,333		459,439	563,772
TOTAL EXPENDITURES	90,152,520	1,610,590	1,431,309	3,890,093	459,439	97,543,951
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,150,554	(210,909)	82,749	(3,860,505)	(265,094)	1,896,795
OTHER FINANCING SOURCES AND (USES)						
Proceeds from serial bonds					643,194	643,194
Premium on serial bonds				13,917		13,917
Bond proceeds - refunding				8,225,000		8,225,000
Premium on bonds issued - refunding				1,394,576		1,394,576
Payment to escrow agent - refunding				(9,541,290)		(9,541,290)
Bond issuance costs - refunding				(78,286)		(78,286)
Operating transfers in		210,909	75,912	3,890,093	867,410	5,044,324
Operating transfers (out)	(5,044,324)					(5,044,324)
TOTAL OTHER FINANCING SOURCES AND (USES)	(5,044,324)	210,909	75,912	3,904,010	1,510,604	657,111
NET CHANGE IN FUND BALANCES	1,106,230	-	158,661	43,505	1,245,510	2,553,906
FUND BALANCES - BEGINNING OF YEAR	9,949,614	-	369,483	116,785	1,623,470	12,059,352
FUND BALANCES - END OF YEAR	\$ 11,055,844	\$ -	\$ 528,144	\$ 160,290	\$ 2,868,980	\$ 14,613,258

**MANHASSET UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL- GENERAL FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$84,500,822	\$84,500,822	\$84,538,363	37,541
Other tax items, including STAR reimb. and PILOTs	3,649,456	3,649,456	3,497,149	(152,307)
Charges for services	1,196,764	1,196,764	1,258,046	61,282
Use of money & property	72,000	72,000	329,758	257,758
Sale of property and compensation for loss	30,000	30,000	136,204	106,204
Miscellaneous	117,000	117,000	195,358	78,358
Library debt service reimbursement	1,080,119	1,080,119	1,080,119	-
State Sources				
Basic formula	4,126,848	4,126,848	3,778,780	(348,068)
Lottery aid			113,290	113,290
BOCES aid	512,368	512,368	572,733	60,365
Tuition for students with disabilities	88,130	88,130	248,490	160,360
Textbook aid	208,408	208,408	210,574	2,166
Computer software aid	61,733	61,733	61,733	-
Library A/V loan program aid	25,756	25,756	25,756	-
Other state aid	50,000	50,000	196,449	146,449
Federal Sources				
Grants	44,000	44,000	42,223	(1,777)
Medicaid reimbursements	11,411	11,411	18,049	6,638
TOTAL REVENUES AND OTHER SOURCES	95,774,815	95,774,815	\$96,303,074	\$528,259
Appropriated fund balance	595,120	1,406,120		
Appropriated reserves	477,519	477,519		
TOTAL REVENUES & APPROPRIATED FUND BALANCE AND RESERVES	\$96,847,454	\$97,658,454		

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.

Details of 2018-19 Revenue and Fund Balance

	2018-19 Budget	2018-19 Revenue Earned	2018-19 Over/(Under) Bud.	NOTES:
Real Property Taxes	84,500,822	84,538,363	37,541	Additional taxes received from TONH
Other Tax Items, including STAR and PILOTS	3,648,156	3,487,909	(160,247)	LIPA PILOTS under budget
Interest on Property Taxes	1,300	9,240	7,940	
Health Service for Other Districts	750,000	759,769	9,769	Billings for health services for non-resident students attending in-district NPS
Day School Tuition-Other Districts	242,992	205,841	(37,151)	Billings to other districts for special ed services to NPS students.
Day School Tuition- Individuals	109,632	172,985	63,353	Boundary properties designated to Manhasset (135K) and non-resident tuition (38K)
Other Student Fees & Charges	65,000	89,549	24,549	Primarily A/P and PSAT Exam fees, offset on the expense side
Driver Education Tuition	29,140	29,857	717	
Interest and Earnings	27,000	292,126	265,126	Due to higher interest rates on account balances
Rental of Real Property	45,000	37,631	(7,369)	
Commissions	-	-	-	
Insurance Recoveries- Other	30,000	136,204	106,204	Worker's Comp recoveries, including 101K for a matter from 2014
E Rate Aid	8,000	11,735	3,735	
Refund of Prior Year Expense- Other	60,000	103,441	43,441	Recovery of utility overcharges (42K), reverse prior year expenses, primarily Special Education(61K),
Gifts and Donations	47,000	77,498	30,498	Gifts fr. community orgs for club/athletic/enrichment stipends and gifts from the SCA for outdoor education and SEPTA for general purposes
Other Misc. Revenues	2,000	2,730	730	
Indirect Revenue - Grants	44,000	42,223	(1,777)	Title I, Sp. Ed. Summer, TRC recovery of benefits
Total Operational Revenues, excluding State Aid	89,610,042	89,997,101	387,059	
State Aid- Basic Formula	4,126,848	3,778,780	(348,068)	Primarily Building Aid not yet received on 2014 Bond Referendum
State Aid- Lottery	-	113,290	113,290	
State Aid- BOCES	512,368	572,733	60,365	Expense based aid
State Aid- Textbook	208,408	210,574	2,166	
State Aid- Computer Software	61,733	61,733	0	
State Aid- Library Materials	25,756	25,756	0	
State Aid - Other	50,000	111,231	61,231	Bullet Aid (\$10K); General Aid Grant (\$100K)
State Aid- Prior Year	-	85,218	85,218	Nassau Cty reimbursement for CPSE Adm. (\$42K); 03-04 General Aid (\$10K); 03-04 Excess Cost Aid (\$34K)
Total State Aid, excluding Intermediate Care Facility	4,985,113	4,959,315	(25,798)	
State Aid- Intermediate Care Facility/Children's Res. Proj	88,130	248,490	160,360	Students enrolled in out of district schools, budgeted for MUFSD, and offset on the expense side
Total State Aid	5,073,243	5,207,805	134,562	
Federal Aid- Medicaid Assistance	11,411	18,049	6,638	
Interfund Revenues - Library	1,080,119	1,080,119	-	
Total Revenues and Fund Balance	95,774,815	96,303,074	528,259	Includes \$811,000 appropriation of unappropriated fund balance for transfer to Capital Projects Fund pursuant to proposition approved by the voters on May 21, 2019
Assigned Appropriated Fund Balance	595,120	1,406,120	811,000	
Total Revenues, Appropriated Reserves and Fund Balance	96,369,935	97,709,194	1,339,259	

MANHASSET UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary/Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	\$104,394	\$112,340	\$111,627		\$713
Central administration	350,425	336,007	335,264		743
Finance	1,005,286	995,623	968,326	\$12,154	15,143
Staff	948,282	840,342	823,107		17,235
Central services	6,036,629	6,662,685	5,912,774	572,713	177,198
Special items	819,227	811,228	810,914		314
Total General Support	9,264,243	9,758,225	8,962,012	584,867	211,346
Instructional					
Instruction, administration, and improvement	2,865,471	2,869,821	2,840,010		29,811
Instruction- general education	28,756,551	28,671,838	28,545,952	52,588	73,298
Instruction- special education	13,040,934	12,805,989	12,172,926	2,000	631,063
Instruction- occupational education	51,600	47,207	45,150		2,057
Instruction- summer school	26,191	24,301	24,191		110
Instructional media	3,762,642	3,730,322	3,710,326	7,680	12,316
Pupil services	6,068,422	6,315,918	6,206,004	8,610	101,304
Total Instructional	54,571,811	54,465,396	53,544,559	70,878	849,959
Pupil transportation	5,064,288	5,067,658	4,968,806	-	98,852
Employee benefits	23,692,023	23,220,089	22,583,023	-	637,066
Debt service					
Debt service - interest	55,000	94,120	94,120		-
TOTAL EXPENDITURES	92,647,365	92,605,488	90,152,520	655,745	1,797,223
Other Financing Uses					
Transfers to other funds	4,200,089	5,052,966	5,044,324		8,642
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$96,847,454	\$97,658,454	95,196,844	\$655,745	\$1,805,865
NET CHANGE IN FUND BALANCES			1,106,230		
FUND BALANCES - BEGINNING OF YEAR			9,949,614		
FUND BALANCES - END OF YEAR			\$11,055,844		

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.

Details of 2018-19 Expenditures and Fund Balance

	2018-19 Original Budget	Transfer to Capital Projects fund and 2017-18 Rollover POs	Final Budget 2018-19 Budget w/ 2017-18 Rollover POs	2018-19 Actual Expenses, incl. Actual for 2017-18 Rollover POs	2018-19 Rollover POs	2018-19 Actual Expenses and 2018-19 Rollover POs	(Over)/Under Final Budget
Compensation	50,277,992		50,277,992	50,146,508		50,146,508	131,484
Equipment	1,146,950	52,846	1,199,796	1,020,275	153,996	1,174,271	25,525
Contract Transportation	4,916,951		4,916,951	4,818,610		4,818,610	98,341
Special Education Tuition	2,723,545		2,723,545	2,232,982		2,232,982	490,563
Special Education Contract Therapists	1,654,000		1,654,000	1,451,747		1,451,747	202,253
Legal Service, Special Education	125,000		125,000	22,062		22,062	102,938
Legal Services, Retainer	60,000		60,000	61,200		61,200	(1,200)
Legal Services, General	134,480		134,480	112,611		112,611	21,869
Legal Services, Labor Relations	75,000		75,000	60,575		60,575	14,425
Repairs, Maintenance, Misc. Contractual, BOCES	6,355,780	419,597	6,775,377	6,692,659	255,125	6,947,784	(172,407)
Supplies	953,125	5,076	958,201	856,148	246,624	1,102,772	(144,571)
Tax Anticipation Note - Interest	55,000		55,000	94,120		94,120	(39,120)
Employee Benefits	23,692,023		23,692,023	22,583,023		22,583,023	1,109,000
Transfer to Special Aid Fund	270,000		270,000	210,909		210,909	59,091
Transfer to Debt Service Fund	3,880,089		3,880,089	3,890,093		3,890,093	(10,004)
Transfer to Capital Projects Fund		811,000	811,000	867,410		867,410	(56,410)
Transfer to Cafeteria Fund	50,000		50,000	75,912		75,912	(25,912)
Total Expenditures and Fund Balance	96,369,935	1,288,519	97,658,454	95,196,844	655,745	95,852,589	1,805,865

Total Special Ed. Fund balance

Facilities Repairs and Maintenance

See separate analysis of benefits

2018-19 Benefits Expense and Fund Balance and Historical Analysis of Benefits Expense

	2018-2019 Approved Budget	ACTUAL											Actual 18-19 vs Actual 09-10 Increase (Decrease)											
		2018-2019		2018-2019		2017-2018		2016-2017		2015-2016		2014-2015		2013-2014		2012-2013		2011-2012		2010-11		2009-10		
		Expenses	Total	Fund Balance	Total	Expenses	Total	Expenses	Total	Expenses	Total	Expenses		Total	Expenses	Total	Expenses	Total	Expenses	Total	Expenses	Total	Expenses	Total
Employees' Retirement System*	1,163,722	1,167,632	(3,910)	1,057,595	986,459	926,100	1,162,241	795,633	1,221,010	1,096,089	864,214	540,996	626,636											
Teachers' Retirement System*	4,583,413	4,465,125	118,288	4,098,474	4,802,185	6,640,208	6,396,900	5,478,273	4,642,842	4,324,822	4,423,863	2,334,746	2,130,379											
Social Security-Employer Portion	3,745,849	3,627,379	118,470	3,611,865	3,498,044	3,398,385	3,314,932	3,171,667	3,244,579	3,243,260	3,121,896	3,203,755	423,624											
Workers' Compensation - Nassau Coop	416,041	414,448	1,593	397,282	380,390	362,523	358,663	375,207	361,177	303,625	128,221	0	414,448											
Workers' Compensation - Tail Claims	33,415	24,540	8,875	31,258	31,703	35,800	66,885	67,457	91,578	123,340	183,167	219,369	(194,829)											
Life Insurance Premiums	39,500	38,860	640	38,149	36,661	36,751	34,573	38,644	39,156	38,721	39,225	39,523	(663)											
Unemployment Insurance	20,000	18,514	1,486	5,200	19,092	12,682	14,641	35,278	55,339	84,466	72,852	60,605	(42,091)											
MEA/MASA Trust Contribution	354,328	341,147	13,181	352,899	342,362	335,459	313,432	59,341	430,411	483,553	474,971	478,596	(137,449)											
Employee Assistance Program	9,030	9,030	0	9,030	9,030	9,030	9,030	9,030	9,054	9,030	9,030	9,030	0											
Annuity Management	3,500	3,048	452	3,264	3,228	3,336	3,336	3,516	8,835	8,370	9,304	10,647	(7,599)											
Other Benefits	0	7,137	(7,137)	4,361	5,920	4,247	1,540	14,825	4,666	9,996	0	0	7,137											
Medicare Reimbursement	803,000	1,049,204	(246,204)	917,071	803,286	671,871	639,171	588,480	527,837	507,709	469,112	441,566	607,638											
Health Insurance- Admin Fees	27,500	26,306	1,194	26,595	24,729	23,791	23,492	22,547	21,962	21,719	22,764	22,999	3,307											
Dental Insurance	70,000	52,090	17,910	26,532	34,283	37,911	41,416	36,796	41,208	40,629	36,109	38,123	13,967											
Health Insurance Buy Back	228,850	200,383	28,467	191,033	177,500	179,733	110,269	165,227	268,352	339,353	288,492	306,155	(105,772)											
Health Insurance- Active- PA7	8,210,943	7,686,770	524,173	7,516,644	6,934,323	6,460,894	5,956,501	5,689,293	5,678,974	5,291,584	4,918,007	4,551,222	3,195,548											
Health Insurance- Cobra- PC7	0	(13,341)	13,341	(85,132)	(2,180)	(10,721)	0	(346)	(4,886)	0	0	0	(13,341)											
Health Insurance- Retired- PR7	3,982,932	3,464,752	518,180	3,401,491	3,184,521	3,015,790	2,850,945	2,780,278	2,505,740	2,392,691	2,272,882	1,961,885	1,502,867											
Health Insurance- Survivor- PS7	0	0	0	0	0	0	0	0	3,120	0	0	0	0											
Health Insurance- HIP	0	0	0	0	0	0	0	40,649	44,426	49,706	50,225	53,325	(53,325)											
Total	23,692,023	22,583,023	1,109,000	21,603,611	21,271,536	22,143,790	21,297,967	19,371,795	19,195,380	18,368,663	17,384,334	14,272,542	8,310,482											

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

95,586 118,704 293,366 1,653,875 1,087,917
1.199 mill fully paid off in 15-16 Fully Paid off by 14-15

% Increase 2018-19 Actual Benefits vs 2009-10 Actual Benefits

58.23%

Increase in Benefits as a % of 2009-10 Actual Total General Fund Expenses

10.37%

Increase in 2018-19 Budget vs 2009-10 Budget

15,275,639

% Increase in 2018-19 Budget vs 2009-10 Budget

18.84%

Analysis of 2018-19 Active Healthcare Fund Balance Projection
As of June 30, 2019

Type of Coverage	Budgeted # of Employees	Budget - Premium	Actual - Premium	Total Projected 2018-2019 Fund Balance
Individual Coverage	137.00	1,741,630	12,375	1,695,354
Family Coverage	285.03	29,411	28,630	8,160,449
FB related to change in rate	422.03	10,124,527	9,855,803	268,724
Actual				
Type of Coverage	# of Employees			
Individual Coverage	123.58		12,375	1,529,284
Family Coverage	278.40		28,630	7,970,631
FB related to changes in coverage	401.98		9,499,915	355,888
Employee Contributions & COBRA Reimbursements		(1,913,584)	(1,813,145)	(100,439)
Total		8,210,943	7,686,770	524,173

1 Premium increases for calendar 2019 were assumed to be 7.5% for individual and for family coverage. The actual increases were 2.7% and 2.8%, respectively.

2 The rate increase for calendar 2020 is again assumed to be 7.5% for all rates

Analysis of 2018-19 Retiree Healthcare Fund Balance Projection
As of June 30, 2019

Type of Coverage	Budgeted	Budget - Premium		Actual - Premium		Total Projected
	# of Retirees					2018-2019 Fund Balance
Individual Coverage	16.00	12,713	203,402	12,375	197,998	
Family Coverage	24.00	29,411	705,854	28,630	687,123	
HIP	1.00	13,364	13,364	13,364	13,364	
Medicare - Individual Coverage	169.00	5,566	940,651	5,045	852,578	
Medicare - Family Coverage - 1 Med	30.00	22,264	667,911	21,300	639,001	
Medicare - Family Coverage - 2 Med	141.00	15,117	2,131,504	13,970	1,969,733	
FB related to change in rate	381.00		4,662,686		4,359,797	302,889
<u>Type of Coverage</u>	<u>Actual</u>					
Individual Coverage	8.08			12,375	99,989	
Family Coverage	15.42			28,630	441,477	
HIP	1.00			13,364	13,364	
Medicare - Individual Coverage	165.25			5,045	833,660	
Medicare - Family Coverage - 1 Med	22.67			21,300	482,872	
Medicare - Family Coverage - 2 Med	156.58			13,970	2,187,382	
FB related to changes in coverage	369.00			4,058,743		301,054
Retiree Contributions			(679,754)		(593,991)	(85,763)
Total			3,982,932		3,464,752	518,180

1 Premium increases for calendar 2019 were assumed to be 7.5% for Medicare - individual, family 1 and family 2. The actual DECREASES were -9.3%, -0.2% and -6.1%, respectively.
2 The rate increase for calendar 2020 is again assumed to be 7.5% for all retiree rates

Sources and Uses of 2018-19 of Excess Unassigned Fund Balance

Unassigned Fund Balance at July 1, 2018 **3,854,797**

Sources of Unassigned Fund Balance in 2018-19

Total 2018-19 Revenues and Transfers in Excess of Budget 528,259

Total 2018-19 Unspent Appropriations 1,805,865

Total Excess Unassigned Fund Balance Available for Assignment **2,334,124**

Uses of Unassigned Fund Balance in 2018-19

Designated to 2019-20 Tax Levy (595,120)

Transfer to 2010 Capital Reserve (639,007)

Transfer to 2018 Capital Reserve (68,614)

Transfer of Unappropriated Fund Balance to the Capital Projects Fund (811,000)

Transfer to Nonspendable Fund Balance (6,765)

Interest Allocated to Reserves, net (88,525)

Total Uses of Excess Unassigned Fund Balance **(2,209,031)**

Unassigned Fund Balance at June 30, 2019 **3,979,890**

2019-20 Budget **99,497,241**

Unassigned Fund Balance at June 30, 2019 as a % of 2019-20 Budget **4.00%**

**MANHASSET UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Fiscal Year 2019	Fiscal Year 2018	Increase (Decrease)	Total Percentage Change
General Fund				
Nonspendable	\$6,765		\$6,765	N/A
Restricted:				
Repair	152,277	\$149,639	2,638	1.76%
Capital (2010)	5,597,433	4,872,539	724,894	14.88%
Capital (2018)	68,614		68,614	N/A
Assigned:				
General support	584,867	476,626	108,241	22.71%
Instructional	70,878	893	69,985	7837.07%
Designated for subsequent year's expenditures	595,120	595,120	-	0.00%
Unassigned (See 5.B for further detail)	3,979,890	3,854,797	125,093	3.25%
Total Fund Balance - General Fund	11,055,844	9,949,614	1,106,230	11.12%
School Lunch Fund				
Nonspendable	307	440	(133)	-30.23%
Assigned - unappropriated	527,837	369,043	158,794	43.03%
Total Fund Balance - School Lunch Fund	528,144	369,483	158,661	42.94%
Debt Service Fund				
Restricted	160,290	116,785	43,505	37.25%
Capital Projects Fund				
Assigned - unappropriated	905,345		905,345	N/A
Restricted for unspent bond proceeds	1,963,635	1,623,470	340,165	20.95%
Total Fund Balance- Capital Projects Fund	2,868,980	1,623,470	1,245,510	76.72%
 Total Fund Balances - All Funds	 \$14,613,258	 \$12,059,352	 \$2,553,906	 21.18%

As of June 30, 2019, the District's combined governmental funds reported a total fund balance of \$14,613,258, which is a net increase of \$2,553,906 from the prior year:

A. General Fund

The net change in general fund – fund balance is a net increase of \$1,106,230. This net increase includes allocated interest of \$88,525 and is primarily due to transfers to the 2010 and 2018 capital reserves of \$639,007 and \$68,614 respectively from the general fund's unassigned fund balance. The assigned portion of the general fund's fund balance to be used for subsequent year's expenditures is \$595,120 at June 30, 2019 equal to the prior year designation. The amount assigned to pay those expenses encumbered in 2018-19 but paid in 2019-20 is \$655,745, an increase of \$178,226 and relates primarily to facilities related encumbrances for repairs and maintenance projects at all three buildings. Finally, unassigned fund balance increased \$125,093. The balance of \$3,979,890 is 4.00% of next

**MANHASSET UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

year’s budget, and thus is at the statutory maximum permitted by New York State Real Property Tax Law.

On May 21, 2019, the voters approved a Capital Projects proposition for \$5,830,000 to be funded from a transfer from the 2010 Capital Reserve (\$4,924,625), a transfer from General Fund unassigned fund balance in 2018-19 (\$811,000) and gifts from the community (\$94,345). The bulk of the projects will be completed in Summer 2020.

B. School Lunch Fund

The net change in the school lunch fund balance is a net increase of \$158,661 primarily reflecting the net profit of the program, offset by capital outlays for equipment and improvements in the District’s cafeterias.

C. Debt Service Fund

The debt service fund restricted fund balance had a net increase of \$43,505, due to interest income in the current year and premium on debt issuance.

D. Capital Projects Fund

The net change in the capital projects fund balance is an increase of \$1,245,510. This net increase is primarily due to the issuance of a serial bond of \$643,194, transfers from general fund of \$867,410, including \$811,000 pursuant to the 2019 Capital Projects Proposition, receipt of a New York State grant of \$100,000 and gifts of \$94,345, less expenditures of \$459,439 pursuant to the 2014 Capital Projects Bond Referendum and expenses related to the addition of security vestibules at all three schools.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2018-19 Budget

The District’s general fund adopted budget for the year ended June 30, 2019 was \$96,369,935. This amount was increased by encumbrances carried over from the prior year in the amount of \$477,519.

The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was \$88,150,278 in budgeted real property taxes and other tax items, plus interest earnings thereon. In addition, a transfer to the Capital Project Fund of \$811,000 was funded through general fund unassigned fund balance in 2018-19.

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 2018-19 follow:

**MANHASSET UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Opening unassigned fund balance	\$3,854,797
Revenues over budget	528,259
Expenditures and encumbrances under budget	1,805,865
Transfer to nonspendable fund balance	(6,765)
Transfer to 2010 capital reserve	(639,007)
Transfer to 2018 capital reserve	(68,614)
Transfer to capital projects fund	(811,000)
Interest allocated to reserves	(88,525)
Appropriated for next year's budget	(595,120)
Closing unassigned fund balance	<u>\$3,979,890</u>

Opening Unassigned Fund Balance

The \$3,854,797 shown in the table is the portion of the District's June 30, 2018 fund balance that was retained as unassigned. This unassigned portion was 4% of the 2018-19 budget, and thus was at the 4% statutory maximum per New York State Real Property Tax Law.

Revenues Over Budget

The 2018-19 final general fund budget for revenues was \$95,774,815. Actual revenues received in 2018-19 were \$96,303,074. The excess of actual 2018-19 revenue over budgeted revenue was \$528,259, due to several factors. Property taxes less than budget by \$114,766 were paid to the District, primarily LIPA PILOTs. The District received higher reimbursements of \$134,562 of state aid, primarily related to a general purpose grant received of \$100,000. District charges for services were higher than budget by \$61,282, and include borderline properties whose taxes are designated for Manhasset, billings related to the provision of special education and health service to non-resident students attending non-public schools located in Manhasset, collection of tuition from non-resident students and transfers from the trust and agency fund to the general fund for student fees and other expenses. Miscellaneous revenues include recoveries related to prior years, which exceeded budget by \$78,358 and include reversals of accruals and payables from prior years, and gifts and donations which were \$30,498 over budgeted revenue. Use of money and property includes interest earnings, which exceeded budget by \$257,758 due to higher market interest rates. Finally, insurance recoveries in excess of budget by \$106,204 were received for prior year claims of workers' compensation.

Expenditures and Encumbrances Under Budget

The 2018-19 final budget for expenditures was \$97,658,454. Actual expenditures as of June 30, 2019 were \$95,196,844 and outstanding encumbrances were \$655,745. Combined, the expenditures plus encumbrances for 2018-19 were \$95,852,589. The final budget was under-expended by \$1,805,865 primarily due to special education (\$631,063), primarily under-expended provision for tuition, and employee benefits (\$637,066) primarily in pension expense, employer payroll taxes and health insurance benefits, and general support (\$211,346), primarily under expended facilities related expenses.

Transfer to Nonspendable Fund Balance

Fund balance is designated as nonspendable to fund prepaid expenditures of \$6,765.

**MANHASSET UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Transfer to 2010 Capital Reserve and Transfer to 2018 Capital Reserve

In June 2019, the Board of Education approved a resolution to transfer up to \$639,008 to the 2010 Capital Reserve, of which \$639,007 was transferred as of June 30, 2019. This completes the funding of the 2010 Capital Reserve to its total authorized amount of \$10 million.

In June 2019, the Board of Education approved a resolution to transfer up to \$750,000 to the 2018 Capital Reserve, of which \$68,614 was transferred as of June 30, 2019.

Transfer to Capital Projects Fund

Unassigned fund balance in the general fund of \$811,000 was transferred to the capital fund in 2018-19.

On May 21, 2019, the voters approved a Capital Projects proposition for \$5,830,000 to be funded from a transfer from the 2010 Capital Reserve (\$4,924,624), a transfer from general fund unassigned fund balance in 2018-19 (\$811,000) and gifts from the community of \$94,345. The bulk of the projects will be completed in Summer 2020.

Interest allocated to Reserves

Interest allocated to reserves was \$88,525.

Assigned – Designated Fund Balance

The District determined to use \$595,120 of its unassigned fund balance to partially fund the 2019-20 operating budget. As such, the unassigned portion of the June 30, 2019 fund balance must be reduced by this amount.

Closing Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2019-20 fiscal year with an unassigned fund balance of \$3,979,890. This is an increase of \$125,023 over the unassigned balance from the prior year, is 4.00% of next year's budget, and thus is at the statutory maximum permitted by New York State Real Property Tax Law.

Reserve Rollforward

	June 30 2009	Sources 2009-2010	Uses 2009-2010	Other Changes in Reserves in 2009	June 30 2010	Sources 2010-2011	Uses 2010-2011	Other Changes in Reserves in 10-11	June 30 2011	Sources 2011-12	Uses 2011-12	Other Changes in Reserves in 11-12
Restricted Reserves												
Reserve for Workers' Compensation	523,170		(235,000)	288,362	576,532		(199,923)	166,960	543,569		(447,499)	356,356
Reserve for Employee Benefit Accrued Liability	0				0				0			
Reserve for Retirement Contribution	300,000			1,735,205	2,035,205		(805,173)	1,162,913	2,392,945		(1,083,680)	2,888
Reserve for Repairs	147,502				147,502			276	147,778			178
Reserve for Unemployment Insurance					0				0			
Nonspendable Fund Balance												
2006 Capital Reserve	3,313,264	13,361	(330,289)		2,996,336		(2,998,149)	1,813	0			
Reserve for Insurance	2,110,333	8,401	(2,118,734)	2,118,734	2,118,734			3,969	2,122,703		(339,162)	2,274
2018 Capital Reserve					0				0			
Liability Reserve	2,215,177	8,933	(2,224,110)	4,142,301	7,874,309		(4,003,245)	1,335,931	5,206,995		(1,870,341)	361,696
Total Restricted Reserves	8,609,446	30,695	(4,908,133)	7,874,309	7,874,309	0	(4,003,245)	1,335,931	5,206,995	0	(1,870,341)	361,696
Assigned Reserves												
Reserve for Encumbrances	518,170		(518,170)	582,610	582,610		(582,610)	187,652	187,652		(187,652)	239,112
Designated for Next Year's Budget	700,000		(700,000)	1,475,000	1,475,000		(1,475,000)	1,000,000	1,000,000		(1,000,000)	936,714
Total Assigned Reserves	1,218,170		(1,218,170)	2,057,610	2,057,610	0	(2,057,610)	1,187,652	1,187,652	0	(1,187,652)	1,175,826
Unassigned Reserves												
Use of Fund Balance for 2011 Capital Projects	3,225,039			114,569	3,339,608			84,076	3,423,684			85,344
Excess Fund Balance - Expenses (current year)		1,509,862		(1,509,862)	0	1,863,684		(1,863,684)	0	842,960		(842,960)
Excess Fund Balance - Revenues (current year)		274,406		(274,406)	0	405,346		(405,346)	0	263,314		(263,314)
Excess Fund Balance - Revenues (prior years)		630,606		(630,606)	0				0	276,818		(276,818)
Increase for 4% Undesignated Fund Balance					0				0			
Designated for next year budget					0				0			
Add to Reserve for Worker's Comp					0				0			
Add to Reserve for Retirement Contribution					0				0			
Add to 2010 Capital Reserve					0				0			
Add to 2018 Capital Reserve					0				0			
Add to Repair Reserve					0				0			
Add to Unemployment Insurance Reserve					0				0			
Add to Nonspendable Fund Balance					0				0			
Transfer Excess from DW Capital Renovations					0	18,038		(18,038)	0			
Transfer to Capital Projects Fund					0	132,939		(132,939)	0			
Transfer Excess from Capital Projects Fund					0	2,420,007		(2,335,931)	3,423,684	1,383,092		(1,297,748)
Total Unassigned Reserves	3,225,039	2,414,874	0	(2,300,305)	3,339,608	2,420,007	0	(132,939)	3,423,684	1,383,092	0	(1,297,748)
Total General Fund Balance	13,052,655	2,445,569	(6,126,303)	3,899,606	13,271,527	2,420,007	(6,060,855)	187,652	9,818,331	1,383,092	(3,057,993)	239,774
General Fund Balance as a % of Budget	16.10%				15.89%				11.47%			
General Fund Budget	2009-10				2010-11				2011-12			
	81,094,279				83,512,677				85,592,098			
Budget to Budget Increase %	0.87%				2.98%				2.49%			
State Aid	4,075,365				4,221,438				4,420,164			
State Aid - Gap Elimination Adjustment, net of ARRA					(850,351)				(887,740)			
State Pass thru of ARRA Funds/Education Jobs Fund					289,124							
Total State Aid	4,075,365				3,660,211				3,532,424			
State Aid - ICF	700,000				793,784				883,356			
Revenue Other than State Aid	1,400,300				1,299,827				1,299,827			
MTA Payroll tax reimbursement					157,672				159,034			
Transfer in from Library					1,096,500				1,096,500			
Transfer in from ERS Reserve	1,095,700				805,173				1,083,680			
Transfer in from Worker's Compensation Reserve					199,923				447,499			
Other Tax Items, including PILOTS												
Tax Levy Buy Down	700,000				1,475,000				1,000,000			
	7,971,365				9,488,090				9,502,360			
Tax Levy	73,122,914				74,024,587				76,089,738			
Tax Levy Increase	0.45%				1.25%				2.75%			

Reserve Rollforward

	June 30 2012	Sources 2012-13	Uses 2012-13	Other Changes in Reserves in 12-13	June 30 2013	Sources 2013-14	Uses 2013-14	Other Changes in Reserves 13-14	June 30 2014	Sources 2014-15	Uses 2014-15	Other Changes in Reserves 14-15
Restricted Reserves												
Reserve for Workers' Compensation	452,426		(452,426)	0	0	25,000	(25,000)	0	0			0
Reserve for Employee Benefit Accrued Liability	0			0	0			0	0			0
Reserve for Retirement Contribution	1,312,153		(1,303,444)	10	8,719		(8,729)	10	0			0
Reserve for Repairs	147,956		(95,448)	101	52,609			139	148,196			167
Reserve for Unemployment Insurance	0			0	0	200,000		0	200,000	5,812		230
Nonspendable Fund Balance	0			0	0			0	0			0
2006 Capital Reserve	0			0	0			0	0			0
Reserve for Insurance	0			0	0			0	0			0
2010 Capital Reserve	1,785,815		(845,000)	1,479	942,294	2,000,000	(942,471)	177	2,000,000	2,205,170	(1,750,000)	2,233
2018 Capital Reserve	0			0	0			0	0			0
Liability Reserve	0			1,590	1,003,622	2,320,448	(976,200)	326	2,348,196	2,210,982	(1,750,000)	2,630
Total Restricted Reserves	3,698,350	0	(2,696,318)	1,590	1,003,622	2,320,448	(976,200)	326	2,348,196	2,210,982	(1,750,000)	2,630
Assigned Reserves												
Reserve for Encumbrances	239,112		(239,112)	313,293	313,293		(313,293)	557,708	557,708		(557,708)	402,711
Designated for Next Year's Budget	936,714		(936,714)	216,234	216,234		(216,234)	308,000	308,000		(308,000)	426,748
Total Assigned Reserves	1,175,826	0	(1,175,826)	529,527	529,527	0	(529,527)	865,708	865,708	0	(865,708)	829,459
Unassigned Reserves												
Use of Fund Balance for 2011 Capital Projects	3,509,028		(1,638)	413,762	3,921,152		(326)	2,312	3,923,138		(2,630)	(304,930)
Excess Fund Balance - Expenses (current year)	0		(279,269)	279,269	0				0			0
Excess Fund Balance - Revenues (current year)	0	119,308		(119,308)	0	1,828,899		(1,828,899)	0	1,131,628		(1,131,628)
Excess Fund Balance - Revenues (prior years)	0	256,860		(256,860)	0	570,866		(570,866)	0	406,790		(406,790)
Increase for 4% Undesignated Fund Balance	0	533,097		(533,097)	0	230,992		(230,992)	0	794,382		(794,382)
Designated for next year's budget	0			0	0			0	0			0
Add to Reserve for Worker's Comp	0			0	0			0	0			0
Add to Reserve for Retirement Contribution	0			0	0			0	0			0
Add to 2010 Capital Reserve	0			0	0			0	0			0
Add to 2018 Capital Reserve	0			0	0			0	0			0
Add to Repair Reserve	0			0	0			0	0			0
Add to Unemployment Insurance Reserve	0			0	0			0	0			0
Add to Nonspendable Fund Balance	0			0	0			0	0			0
Transfer Excess from DW Capital Renovations	0			0	0			0	0			0
Transfer to Capital Projects Fund	0			0	0			0	0			0
Transfer Excess from Capital Projects Fund	0			0	0			0	0			0
Total Unassigned Reserves	3,509,028	909,265	(280,907)	(216,234)	3,921,152	2,630,757	(326)	(2,628,445)	3,923,138	2,332,800	(2,630)	(2,637,730)
Total General Fund Balance	8,383,204	909,265	(4,153,051)	314,883	5,454,301	4,951,205	(1,506,053)	(1,762,411)	7,137,042	4,543,782	(2,618,338)	
General Fund Balance as a % of Budget	9.63%				6.33%				8.12%			
General Fund Budget	2012-13	2013-14	2014-15									
	87,069,424	86,176,419	87,933,150									
Budget to Budget Increase %	1.73%	-1.03%	2.04%									
State Aid	4,430,233	4,322,483	4,425,862						4,425,862			
State Aid - Gap Elimination Adjustment, net of ARRA	(861,499)	(761,499)	(653,900)						(653,900)			
State Pass thru of ARRA Funds/Education Jobs Fund												
Total State Aid	3,568,734	3,560,984	3,771,962						3,771,962			
State Aid - ICF	713,520	710,897	700,000						700,000			
Revenue Other than State Aid	1,200,481	1,226,200	1,256,000						1,256,000			
MTA Payroll tax reimbursement												
Transfer in from Library	1,051,969	1,053,444	1,058,169						1,058,169			
Transfer in from ERS Reserve	1,303,444	8,709										
Transfer in from Worker's Compensation Reserve	452,426	25,000										
Other Tax Items, including PILOTS												
Tax Levy Buy Down	936,714	216,234	308,000						308,000			
	9,227,288	6,801,468	7,094,131						7,094,131			
Tax Levy	77,842,136	79,374,951	80,839,019						80,839,019			
Tax Levy Increase	2.30%	1.97%	1.84%						1.84%			

Reserve Rollforward

	June 30 2015	Sources 2015-16	Uses 2015-16	Other Changes in Reserves 15-16	June 30 2016	Sources 2016-17	Uses 2016-17	Other Changes in Reserves 16-17	June 30 2017	Sources 2017-18	Uses 2017-18	Other Changes in Reserves 17-18	June 30 2018	Sources 2018-19	Uses 2018-19	Other Changes in Reserves 18-19	June 30 2019	11 Year Average	
Restricted Reserves																			
Reserve for Workers' Compensation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for Employee Benefit Accrued Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for Retirement Contribution	148,363	180	0	180	148,543	0	0	308	148,851	0	0	788	149,639	2,638	0	0	152,277	152,277	0
Reserve for Repairs	206,042	250	(206,720)	250	206,292	(206,720)	428	0	0	0	0	0	0	6,765	0	0	6,765	6,765	0
Reserve for Unemployment Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nonspendable Fund Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006 Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for Insurance	2,457,403	541,307	(650,000)	2,508	2,351,218	1,340,175	0	211,599	3,902,992	948,885	0	20,662	4,872,539	724,894	0	0	5,597,433	5,597,433	0
2010 Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018 Capital Reserve Liability Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Restricted Reserves	2,811,808	541,307	(650,000)	2,938	2,706,053	1,340,175	(206,720)	212,335	4,051,843	948,885	0	21,450	5,022,178	802,911	0	0	5,825,089	5,825,089	0
Assigned Reserves																			
Reserve for Encumbrances	402,711	299,847	(402,711)	299,847	299,847	(299,847)	585,598	585,598	585,598	(585,598)	0	477,519	477,519	0	(477,519)	655,745	655,745	0	0
Designated for Next Year's Budget	426,748	595,120	(426,748)	595,120	595,120	(595,120)	595,120	595,120	595,120	(595,120)	0	595,120	595,120	0	(595,120)	595,120	595,120	0	0
Total Assigned Reserves	829,459	894,967	(829,459)	894,967	894,967	(894,967)	1,180,718	1,180,718	1,180,718	(1,180,718)	0	1,072,639	1,072,639	0	(1,072,639)	1,250,865	1,250,865	0	0
Unassigned Reserves																			
Use of Fund Balance for 2011 Capital Projects	3,615,578	1,204,140	0	(1,139,365)	3,680,353	2,016,187	0	75,277	3,755,630	1,664,622	0	(1,565,455)	3,854,797	0	0	125,093	3,979,890	3,979,890	0
Excess Fund Balance - Expenses (current year)	0	567,261	0	(567,261)	0	612,563	0	(612,563)	0	344,795	0	(344,795)	0	528,259	0	528,259	528,259	0	0
Excess Fund Balance - Revenues (current year)	0	636,879	0	(636,879)	0	1,403,624	0	(1,403,624)	0	1,319,827	0	(1,319,827)	0	1,805,865	0	1,805,865	1,805,865	0	0
Excess Fund Balance - Revenues (prior years)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase for 4% Undesignated Fund Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	(125,093)	0	(125,093)	(125,093)	0	0
Designated for next year budget	0	0	0	0	0	0	0	0	0	0	0	0	0	(595,120)	0	(595,120)	(595,120)	0	0
Add to Reserve for Worker's Comp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Add to Reserve for Retirement Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Add to 2010 Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	(724,894)	0	(724,894)	(724,894)	0	0
Add to 2018 Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	(68,614)	0	(68,614)	(68,614)	0	0
Add to Repair Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Add to Unemployment Insurance Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Add to Nonspendable Fund Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer Excess from DW Capital Renovations	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,765)	0	(6,765)	(6,765)	0	0
Transfer to Capital Projects Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	(811,000)	0	(811,000)	(811,000)	0	0
Transfer Excess from Capital Projects Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Unassigned Reserves	3,615,578	1,204,140	0	(1,139,365)	3,680,353	2,016,187	0	(1,940,910)	3,755,630	1,664,622	0	(1,565,455)	3,854,797	0	0	125,093	3,979,890	3,979,890	0
Total General Fund Balance	7,256,845	1,745,447	(1,479,459)	(241,460)	7,281,373	3,356,367	(1,101,687)	(547,857)	8,988,191	2,613,507	(1,180,718)	(471,366)	9,949,614	802,911	(1,072,639)	1,375,958	11,055,844	11,055,844	11.11%
General Fund Balance as a % of Budget	8.03%				7.91%				9.57%				10.32%				11.11%		
General Fund Budget	2015-16	2016-17	2017-18	2018-19	2019-20				2018-19	2019-20			2018-19	2019-20			2019-20	2019-20	1.96%
	90,389,627	92,008,827	93,890,748	96,369,935	99,497,241				96,369,935	99,497,241			96,369,935	99,497,241			99,497,241	99,497,241	3.25%
Budget to Budget Increase %	2.79%	1.79%	2.05%	2.64%	3.25%				2.05%	2.64%			2.64%	3.25%			3.25%	3.25%	1.96%
State Aid	4,595,753	4,670,338	4,885,612	4,985,113	5,157,673				4,885,612	4,985,113			4,985,113	5,157,673			5,157,673	5,157,673	
State Aid - Gap Elimination Adjustment, net of ARRA	(426,748)																		
State Pass thru of ARRA Funds/Education Jobs Fund																			
Total State Aid	4,169,005	4,670,338	4,885,612	4,985,113	5,157,673				4,885,612	4,985,113			4,985,113	5,157,673			5,157,673	5,157,673	
State Aid - ICF	543,400	517,988	311,259	311,259	88,130				311,259	88,130			88,130	397,103			397,103	397,103	
Revenue Other than State Aid	1,310,500	1,434,567	1,557,572	1,557,572	1,471,175				1,557,572	1,471,175			1,471,175	1,590,993			1,590,993	1,590,993	
MTA Payroll tax reimbursement																			
Transfer in from Library																			
Transfer in from ERS Reserve	1,063,269	1,072,269	1,074,444	1,074,444	1,083,019				1,074,444	1,083,019			1,083,019	1,083,019			1,083,019	1,083,019	
Transfer in from Worker's Compensation Reserve																			
Other Tax Items, including PILOTS	1,579,926	1,470,057	1,558,360	1,558,360	1,729,035				1,558,360	1,729,035			1,729,035	1,669,963			1,669,963	1,669,963	
Tax Levy Buy Down	426,748	595,120	595,120	595,120	595,120				595,120	595,120			595,120	595,120			595,120	595,120	
	9,092,848	9,760,339	9,982,367	9,982,367	9,982,367				9,982,367	9,982,367			9,982,367	10,493,871			10,493,871	10,493,871	
Tax Levy	81,296,779	82,248,488	83,908,381	83,908,381	86,421,243				83,908,381	86,421,243			86,421,243	89,003,370			89,003,370	89,003,370	
Tax Levy Increase	2.52%	1.17%	2.02%	2.02%	2.99%				2.02%	2.99%			2.99%	2.03%			2.03%	2.03%	2.03%

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

CUMULATIVE COMPONENTS OF AND CHANGES TO FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2017 THROUGH JUNE 30, 2019

	June 30, 2019	June 30, 2018	2019 vs 2018 Inc./((Dec.))	June 30, 2017	2018 vs 2017 Inc./((Dec.))	Cumulative Inc./((Dec.))
General Fund						
Restricted:						
Reserve for Workers' Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Retirement Contribution	-	-	-	-	-	-
Reserve for Retirement Contribution - TRS Sub Fund	-	-	-	-	-	-
Reserve for Repairs	152,277	149,639	2,638	148,851	788	3,426
Reserve for Unemployment Insurance	-	-	-	-	-	-
Capital Reserve (2010)	5,597,433	4,872,539	724,894	3,902,992	969,547	1,694,441
Capital Reserve (2018)	68,614	-	68,614	-	-	68,614
Nonspendable Fund Balance	6,765	-	6,765	-	-	6,765
Assigned:						
Designated for Encumbrances	655,745	477,519	178,226	585,598	(108,079)	70,147
Designated for subsequent year's expenditures	595,120	595,120	-	595,120	-	-
Unassigned	3,979,890	3,854,797	125,093	3,755,630	99,167	224,260
Total Fund Balance - General Fund	<u>11,055,844</u>	<u>9,949,614</u>	<u>1,106,230</u>	<u>8,988,191</u>	<u>961,423</u>	<u>2,067,653</u>
Special Aid Fund						
Assigned - unappropriated	-	-	-	33,071	(33,071)	(33,071)
School Lunch Fund						
Nonspendable (inventory)	307	440	(133)	2,234	(1,794)	(1,927)
Assigned - unappropriated	527,837	369,043	158,794	874,205	(505,162)	(346,368)
Total Fund Balance - School Lunch Fund	<u>528,144</u>	<u>369,483</u>	<u>158,661</u>	<u>876,439</u>	<u>(506,956)</u>	<u>(348,295)</u>
Debt Service Fund						
Restricted	160,290	116,785	43,505	108,299	8,486	51,991
Capital Projects Fund						
Restricted for unspent bond proceeds	1,963,635	1,623,470	340,165	5,662,197	(4,038,727)	(3,698,562)
Restricted for investments in capital assets	-	-	-	2,650,000	(2,650,000)	(2,650,000)
Assigned Unappropriated Fund Balance	905,345	-	905,345	-	-	905,345
Total Fund Balance - Capital Projects Fund	<u>2,868,980</u>	<u>1,623,470</u>	<u>1,245,510</u>	<u>8,312,197</u>	<u>(6,688,727)</u>	<u>(5,443,217)</u>
Total Fund Balance	<u>\$14,613,258</u>	<u>\$12,059,352</u>	<u>\$ 2,553,906</u>	<u>\$18,318,197</u>	<u>\$ (6,258,845)</u>	<u>\$ (3,704,939)</u>
General Fund Balance as a Percent of Budget	11.11%	10.32%		9.57%		

See explanatory footnotes on the following pages.

MANHASSET UFSD FUND BALANCE AND RESERVES

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

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

General Fund Restricted Fund Balance:

- 1. Reserve for Workers' Compensation:**
Purpose: This reserve may be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering the self insured program.
Explanation for change: The remaining balance was fully utilized in 2013-14 to pay workers' compensation benefits.
Other Comments: This reserve does not require voter approval either to create or expend.
Funding: Due to the District's participation in the Nassau County Workers' Compensation Cooperative as of November 2010 and the subsequent wind-down of tail claims incurred prior to that date, there is no need to add funds to this reserve.
- 2. Reserve for Retirement Contribution:**
Purpose: This reserve is used to fund retirement contributions payable to ERS--the NYS and Local Employees Retirement System.
Explanation for change: The remaining balance in the reserve was fully utilized in 2013-14.
Other Comments: This reserve fund does not require voter approval either to create or expend.
Funding: Because the District participates in the ERS Stable Contribution Option, it is not anticipated that the District will place additional funds in this reserve at this time.
- 3. Reserve for Retirement Contribution - TRS Retirement Contribution Sub-Fund:**
Purpose: This reserve is used to fund retirement contributions payable to the NYS Teachers' Retirement System.
Other Comments: The TRS Sub-fund was established by Board resolution on June 6, 2019.
Funding: The Board may choose to fund this reserve as funds become available, but has no plans to do so at this time.
- 4. Reserve for Repairs:**
Purpose: This reserve may be used to pay the cost of repairs to capital improvements or equipment of a type which does not recur annually or at shorter intervals.
Explanation for change: Earned interest.
Other Comments: This fund was established through voter approval for funding in 1990. Funds may be spent without voter approval, but only after a public hearing, except in emergency situations. In the case of an emergency, expenditures may be authorized by a two-thirds vote of the school Board, but the amount must be repaid to the reserve over the ensuing two years.
Funding/Usage: Voter approval is required to transfer funds to the reserve for repairs. The 2019-20 Budget approved by the voters on May 21, 2019 includes a transfer to Repair Reserve of \$125,000. Barring an emergency, at this time it is not anticipated that the repair reserve will be utilized in 2019-20.
- 5. Reserve for Unemployment Insurance:**
Purpose: This reserve may be used to reimburse the State Unemployment Insurance Fund for payments made to claimants.
Other Comments: This reserve does not require voter approval either to create or expend.
Funding: The District increased staff in 2014-15 through 2018-19, and unemployment expense during the same period has approximated \$20,000 in most years. Therefore, effective June 30, 2017, it was determined that the District can meet its obligations for unemployment benefits out of budgeted fund and the balance in this reserve was transferred to the 2010 Capital Reserve.

MANHASSET UFSD FUND BALANCE AND RESERVES

6. 2010 Capital Reserve:

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

Explanation for change: On May 18, 2010, the voters approved the establishment of the 2010 Capital Reserve of up to \$10 million and the Board funded the account with a \$2,118,734 transfer from the Insurance Reserve as of June 2010. On May 17, 2011, voters approved capital projects totaling \$2,405,725 to be funded from the 2010 Capital Reserve, together with unassigned fund balance of up to \$286,991. Projects were completed during Summer 2012 and in 2013. The balance at June 30, 2013 was fully expended in 2013-14, as all approved capital projects were completed. In June 2014 and October 2014, the Board authorized the transfer of \$2 million and \$400,000, respectively to the 2010 Capital Reserve. In June 2015, the Board authorized the transfer of up to \$3.5 million to the 2010 Capital Reserve, of which \$1,805,170 was transferred as of June 30, 2015. The use of the \$2.4 million was authorized by the voters in December 2014 to partially fund \$22.6 million in capital projects over the next two years. Of this, \$1.75 million was transferred in 2014-15 and \$650,000 was transferred in 2015-16. In June 2016, the Board authorized the transfer of up to \$2 million into the 2010 Capital Reserve. The actual transfer was \$541,307 as of June 30, 2016. In June 2017, the Board authorized the transfer of up to \$2,928,500 to the 2010 Capital Reserve. The actual transfer was \$1,340,175. In addition, \$206,720 was transferred from the Reserve for Unemployment Insurance to the 2010 Capital Reserve, effective June 30, 2017. In June 2018, the Board authorized the transfer of up to \$1,500,000 to the 2010 Capital Reserve. The actual transfer was \$948,885. In June 2019, the Board authorized the transfer of up to \$639,008 to the 2010 Capital Reserve, and \$639,007 was transferred. The funding of the total authorization of \$10 million has been completed as of June 30, 2019, interest earnings are \$124,067, and \$4,526,633 of the 2010 Capital Reserve has been utilized for capital projects authorized by the voters. The Capital Projects Proposition approved by the voters on May 21, 2019 approved the use of \$4,925 million of the 2010 Capital Reserve, including interest through June 30, 2019. The projects will be completed primarily in Summer 2020 and the funds will be transferred to the Capital Projects Fund in 2019-20.

Other Comments: This reserve fund requires voter approval to create and expend. It is anticipated that the Board may seek voter approval in May 2020 to utilize the balance in the 2010 Capital Reserve for additional capital projects.

Funding: The funding of the total authorization of \$10 million has been completed as of June 30, 2019.

7. 2018 Capital Reserve:

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

Explanation For Change: On May 15, 2018, the voters approved the establishment of the 2018 Capital Reserve of up to \$10 million, with a maximum funding term of 10 years. In June 2019, the Board authorized the transfer of up to \$750,000 to the 2018 Capital Reserve. The actual transfer was \$68,614.

Other Comments: This reserve requires voter approval to create and expend. It is anticipated that the Board may seek voter approval in May 2020 to utilize the balance in the 2018 Capital Reserve for additional capital projects.

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

General Fund Nonspendable Fund Balance:

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

General Fund Assigned Fund Balance:

1. Unappropriated Fund Balance - Designated for Encumbrances:

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

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

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

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

Explanation for Change: The 2017-18, 2018-19, and 2019-20 budget each applied \$595,120 to the respective tax levy.

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

MANHASSET UFSD FUND BALANCE AND RESERVES

General Fund Unassigned Fund Balance:

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

Other Comments: At June 30, 2017, 2018 and 2019, the District's unassigned fund balance is at the statutory maximum of 4%.

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

Other Funds:

Special Aid Fund:

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

Other Comments: The assigned – unappropriated fund balance in the special aid fund of \$33,071 at June 30, 2017 was the District's funding of a project completed in 2017-18 to upgrade theatrical, LED, and lighting systems at all three schools, funded primarily by a grant from New York State of \$100,000 received in 2017-18.

School Lunch Fund:

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

Other Comments: The assigned unappropriated fund balance must be utilized in support of the school program and may include equipment upgrades and cafeteria renovations. In 2011-2012, the District's program lost money. In 2012-13, a minor profit was earned, and the fund balance was less than 1 month's average expenditure. In 2013-14, the program achieved a solid profit, and the fund balance was approximately 2.37 months average expenditure. This level of profitability was sustained in 2014-15, 2015-16, and 2016-17, with fund balance at approximately 3.96, 5.14 and 7.21 months average expenditure, respectively. In 2017-18, the District invested \$652,917 in cafeteria renovations and equipment at all of its schools, and the fund balance was approximately 1.88 months average expenditure. In 2018-19, the District invested \$104,333 in equipment for the program District-wide. Fund balance is 3.69 months average expenditure. The District will continue to invest in equipment for its food services program at all three schools.

Funding: Federal regulations limit the net cash resources to be retained by the school lunch fund to 3 months average expenditure and requires a plan to expend excess funds. In 2017-18, the District executed the plan, as detailed below. The expenditures at both Munsey Park and the Secondary School noted below were scheduled for the Summer of 2016. However widespread delays in project approval by NYS SED Facilities Planning caused the projects to be re-scheduled from Summer 2016 to 2017-18, and thus the related planned renovations serving line and other kitchen equipment expenditures to be purchased through the School Lunch Fund were also delayed.

- The District purchased kitchen equipment
- The District renovated the Munsey Park cafeteria as part of its 2014 Capital Projects Bond Referendum. In conjunction with this, the District has used the School Lunch fund balance to purchase a new serving line and other equipment.
- The District renovated the Secondary School cafeteria – existing seating area
- The District expanded the Secondary School Grab & Go area.
- The District replaced the Secondary School cafeteria tables and chairs.
- The District replaced the Secondary School faculty serving line, tables and chairs.
- The District replaced the serving line at Shelter Rock in Summer 2018.
- The District will purchase equipment in 2019-20

Debt Service Fund:

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

Explanation for Change: The debt service fund increased \$43,505 in 2018-19 and \$8,486 in 2017-18, primarily allocated interest. 2018-19 also includes an on-premium debt issuance of \$13,917.

Capital Projects Fund:

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

Explanation for Change: On December 3, 2014, the District voters approved a Capital Projects Bond Referendum for projects totaling \$22,690,870, which has been funded by up to \$19,493,194 of bonds and a transfer from the general fund of \$466,676, \$2.4 million of 2010 Capital Reserve funds and a \$250,000 gift from the Manhasset School Community Association. The net change in the Capital Projects Fund balance in fiscal 2019 is an increase of \$1,245,510. This increase reflects expenditures of \$459,439 pursuant to the 2014 Capital Projects Bond Referendum (\$303,029), offset by debt issuance of \$643,194; the construction of security vestibules at all three schools (\$156,410), offset by a grant and a transfer of grant funds from the general fund of \$156,410; and the transfer of \$811,000 from the general fund pursuant to the 2019 Capital Projects Proposition approved by the voters on May 21,

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

2019. The net change in the capital projects fund balance in fiscal 2018 is a decrease of \$6,688,727. This decrease is primarily due to expenditures of \$6,805,991 pursuant to the 2014 Capital Projects Bond Referendum, offset by grants of \$87,108 related to New York State's Smart Schools Bond Act Program and insurance recoveries of \$30,156. The net change in the capital projects fund balance in fiscal 2017 is an increase of \$1,344,319. This net increase is primarily due to new debt issuance proceeds of \$11,500,000, offset by expenditures of \$10,406,215 pursuant to the 2014 Capital Projects Bond Referendum and a transfer from the general fund of \$6,679 and grants of \$243,855 related to New York State's Smart Schools Bond Act program.