

Summary Analysis of 2021-22 Projected Revenues and Fund Balance
As of January 31, 2022

ACCOUNT		2021-22 BUDGET	REVENUE EARNED YTD	ACCRUED REVENUE	TOTAL PROJECTED REVENUE	PROJECTED VARIANCE OVER/(UNDER)	Note: This analysis contains estimates and projections of revenues based on certain assumptions. Actual results can vary and as such these estimates and projections are subject to change.
A 1001	Real Property Taxes	91,079,712	54,375,329	36,704,383	91,079,712	-	
A1081	PILOTS, including LIPA PILOTS	1,596,357	605,563	948,487	1,554,050	(42,307)	Reflects statement from Nassau Cty. LIPA PILOTS have varied widely from year to year.
A 1085	School Tax Relief Reimbursement	1,067,995	1,067,995		1,067,995	-	
A 1090	Interest on Property Taxes	-	-		-	-	
A 2280	Health Service for Other Districts	666,663	(88)	700,088	700,000	33,337	Billings for health services for students attending in-district NPS.
A 2230	Day School Tuition-Other Districts	180,000	(239,742)	524,742	285,000	105,000	Billings for special ed services to in-district NPS students.
A1311	Day School Tuition- Individuals	182,241	(9,145)	134,145	125,000	(57,241)	Boundary properties designated to MUFSD, plus tuition collected for non-resident students.
A 1335	Other Student Fees & Charges	10,000	1,065	8,935	10,000	-	It appears that one large property grieved and was granted relief.
A 1335..1	Driver Education Tuition	25,000	9,713	15,287	25,000	-	Primarily PSAT Exam fees, offset on the expense side.
A1489	Other Charges for Services				-	-	
A 2401	Interest and Earnings	15,000	504	496	1,000	(14,000)	Due to near zero interest rates.
A 2410	Rental of Real Property	30,000	350	9,410	9,760	(20,240)	Facilities use by outside groups is limited.
A 2680	Insurance Recoveries- Other	30,000	21,616	11,000	32,616	2,616	Worker's Comp. recoveries and recoveries for insured losses.
A 2770	E Rate Aid	83,522	-	83,522	83,522	-	IT project based recoveries
A 2703	Refund of Prior Year Expense- Other	60,000	306	59,694	60,000	-	
A 2705	Gifts and Donations	50,000	69,921	-	69,921	19,921	Gifts from community orgs for club/athletic/enrichments stipends and gifts from the SCA
A 2389	Other Misc Revenue	3,000	9,357	-	9,357	6,357	for outdoor education. Includes 50K from TOWER for Technology Labs.
A 2773	Indirect Revenue - Grants	33,382	-	33,382	33,382	-	
	Total Operational Revenues, excluding State Aid	95,112,872	55,912,744	39,233,571	95,146,315	33,443	
A 3101	State Aid- Basic Formula	4,147,830	3,341,130	823,207	4,164,337	16,507	
A 3102	State Aid- Lottery		50,652	-	50,652	50,652	The Projected State Aid Revenue represents the Final 21-22
A 3103	State Aid- BOCES	625,847	-	642,356	642,356	16,509	State Aid Budget Proposal, wherein 21-22 is projected to be
A 3260	State Aid- Textbook	196,615	50,610	145,926	196,536	(79)	84K higher than the final legislative state aid runs for 21-22
A3262	State Aid- Computer Software	55,996	-	55,996	55,996	-	received on March 31, 2021.
A3263	State Aid- Library Material	23,362	-	23,362	23,362	-	
A3288	State Aid- Prior Year	50,000	34,384		34,384	(15,616)	Nassau Cty reimbursement for CPSE Administration.
A3289	State Aid- Other			-	-	-	
	Total State Aid, excluding Intermediate Care Facility	5,099,650	3,476,776	1,690,847	5,167,623	67,973	
A 3104	State Aid- including Intermediate Care Facility and Children's Residential Project	340,587	(292,073)	654,997	362,924	22,337	ICF and CRP Recoveries
	Total State Aid	5,440,237	3,184,703	2,345,844	5,530,547	90,310	
A 4601	Federal Aid- Medicaid Assistance	20,000	4,170	6,000	10,170	(9,830)	
A 2801	Interfund Revenues - Debt Service Manhasset Library	1,023,000	875,375	147,625	1,023,000	-	Debt services payment received from Library for Library Bonds
	Applied Fund Balance	724,067		724,067	724,067	-	paid by District
	Total Revenues and Fund Balance	102,320,176	59,976,992	42,457,107	102,434,099	113,923	

Summary Analysis of 2021-22 Projected Expenses and Fund Balance
As of January 31, 2022

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

	2021 -2022 Approved Budget	Budget Revision	AS OF 1.31.22 Expensed/Encumbered		Total Expensed/ Encumbered as of 1-31-22	Projected Remaining Expenses/ Adjustments	Total Projected 2021 -2022 Expenses	Total Projected 2021 -2022 Fund Balance			
Total Compensation (100 Codes)	53,495,794		24,366,743	26,336,246	50,702,989	2,288,241	52,991,230	504,564	1		
Total Compensation - COVID-19 (100 Codes)	-		154,137	244,076	398,213	(157,248)	240,965	(240,965)			
Total Equipment (200 Codes)	1,215,162		404,667	248,082	652,749	531,087	1,183,836	31,326			
Total Equipment - COVID-19 (200 Codes)	-		-	-	-	-	-	-			
Total Transportation (300 Codes)	5,190,684		1,920,193	2,289,707	4,209,900	707,051	4,916,951	273,733			
Total Contractual (400 Codes)*	8,033,688		4,480,787	2,657,662	7,138,448	766,656	7,905,104	128,584			
Total Contractual - COVID-19 (400 Codes)*	-		56,848	81,008	137,856	(4,655)	133,201	(133,201)			
Legal Services - Special Education(1420 429 Code)	125,000		2,411	47,589	50,000	(17,000)	33,000	92,000	2		
Contract Therapists (2250 440 Codes)	1,394,000		182,026	1,298,957	1,480,983	135,201	1,616,184	(222,184)	3		
Special Ed Tuition - Public (2250 471 Codes)	332,428		70,662	253,985	324,646	-	324,646	7,782	4		
Special Ed Tuition - Private (2250 472 Codes)	1,101,417		206,914	726,195	933,109	11,310	944,419	156,998	4		
Special Ed Tuition- BOCES (2250 490 Codes)	1,115,871		324,011	359,373	683,384	213,145	896,529	219,342	4		
Total Supplies (500 Codes)	1,536,263		838,364	223,042	1,061,405	364,560	1,425,965	110,298			
Total Supplies - COVID-19 (500 Codes)	-		883	4,381	5,264	-	5,264	(5,264)			
Total Interest Expense (700 Codes)	82,000		(124,073)	-	(124,073)	140,104	16,032	65,968	5		
Total Employee Benefits (800 Codes)	24,466,021		11,293,547	4,107,995	15,401,542	8,601,168	24,002,710	463,311	6		
Total Employee Benefits - COVID-19 (800 Codes)	-		-	-	-	-	-	-			
COVID-19/Cyber Security Attack Budget Revisions	-	925,000	-	-	-	-	-	925,000	7	COVID	CYBER
Total Interfund Transfers (900 Codes)*	4,231,848	-	2,651,749	-	2,651,749	1,525,000	4,176,749	55,099	8	379,431	257,341
TOTAL	102,320,176.00	925,000	46,829,868	38,878,298	85,708,166	15,104,620	100,812,786	2,432,390		288,228	
								Special Education	253,938	2,3,4	
								Total projected fund balance, revenue and expenses	2,546,313		
								Dedicated to 20-21 tax levy	724,067		
								Remaining Available Fund Balance	1,822,246		

* excludes other 400 codes on this schedule.

1 Fund balance is projected as a result of changes in staff mix, primarily because of teachers on unpaid leaves of absence replaced with leave replacements at a lesser salary, in addition to unfilled positions

2 Legal Fees for Special Education had been volatile: 2010-11: \$292,634; 2011-12: \$367,240; 12-13: \$439,945; 13-14 \$417,295. However, special education legal fees have stabilized over the last several years: \$85,314 in 14-15; \$133,387 in 15-16; \$121,179 in 16-17; 78,143 in 17-18; \$22,062 in 18-19; \$40,440 in 19-20; \$16,945 in 20-21 and projected \$33,000 in 21-22.

3 Billing for Special Education Contract Therapists lags by several months. Therefore estimates for this line item can be volatile. The District budgeted for 425 classified school age students and 35 pre-school students to receive related services in 2021-22. As of October 2021, the District was servicing 396 school age students and 27 pre-school students.

4 The District budgeted for 38 special education students to attend out of district schools. The actual student count is 29 (7 of the 9 underbudget tuitions pertain to 1/2 day Barry Tech program). Some students budgeted to attend certain out of district schools are actually attending different programs than originally budgeted

5 The district issued its 2021-22 tax anticipation note for \$12,500,000 at a coupon rate of 1.50%, prior to application of premium of \$124,072. The net interest cost (NIC) rate, after premium is 0.1716%.

6 See attached analysis

7 COVID-19 expenses are captured in separate line items above. Expenses related to the Cybersecurity attack have been covered by insurance, except for deductibles and retention of MDR monitoring services for the remainder of the year. Claims have not been closed out as of this report. It is estimated the District's out of pocket costs for deductables and MDR monitoring will be 257K

8 As part of its assistance to address the effects of the COVID-19 pandemic in 20-21 and 21-22, the Federal government subsidized all school lunch programs, and the transfer to support the Secondary School lunch program is not necessary.

2021-22 Projected Benefits Expense and Fund Balance and Historical Analysis of Benefits Expense

				ACTUAL												Projected 21-22
	2021-2022	Total Projected	Total Projected	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	vs Actual 09-10
	Approved Budget	2021-2022	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-11	2009-10	Increase
		Expenses	Fund Balance	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	(Decrease)
Employees' Retirement System*	1,260,800	1,372,724	(111,924)	1,249,795	1,126,893	1,167,632	1,057,595	986,459	926,100	1,162,241	795,633	1,221,010	1,096,089	864,214	540,996	831,728
Teachers' Retirement System*	4,474,030	4,499,436	(25,406)	4,207,020	3,769,741	4,465,125	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	2,164,690
Social Security-Employer Portion	4,008,444	3,923,034	85,410	3,805,209	3,693,831	3,627,379	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	719,279
Workers' Compensation - Nassau Coop	399,745	399,745	0	421,766	437,088	414,448	397,282	380,390	362,523	358,663	375,207	361,177	303,625	128,221	0	399,745
Workers' Compensation - Tail Claims	24,000	24,000	0	25,559	24,540	24,540	31,258	31,703	35,800	66,885	67,457	91,578	123,340	183,167	219,369	(195,369)
Life Insurance Premiums	41,000	40,000	1,000	39,288	39,805	38,860	38,149	36,661	36,751	34,573	38,644	39,156	38,721	39,225	39,523	477
Unemployment Insurance	35,000	16,000	19,000	0	53,755	18,514	5,200	19,092	12,682	14,641	35,278	55,339	84,466	72,852	60,605	(44,605)
MEA/MASA Trust Contribution	410,026	386,828	23,198	383,102	351,018	341,147	352,899	342,362	335,459	313,432	59,341	430,411	483,553	474,971	478,596	(91,768)
Employee Assistance Program	9,030	9,030	0	9,030	9,030	9,030	9,030	9,030	9,030	9,030	9,030	9,054	9,030	9,030	9,030	0
Annuity Management	3,500	2,724	776	2,796	3,048	3,048	3,264	3,228	3,336	3,336	3,516	8,835	8,370	9,304	10,647	(7,923)
Other Benefits			0	2,105	23,864	7,137	4,361	5,920	4,247	1,540	14,825	4,666	9,996	0	0	0
Medicare Reimbursement	1,250,000	1,400,232	(150,232)	1,372,590	1,197,195	1,049,204	917,071	803,286	671,871	639,171	588,480	527,837	507,709	469,112	441,566	958,666
Health Insurance- Admin Fees	27,500	24,388	3,112	44,338	15,259	26,306	26,595	24,729	23,791	23,492	22,547	21,962	21,719	22,764	22,999	1,389
Dental Insurance	70,000	50,664	19,336	52,323	53,156	52,090	26,532	34,283	37,911	41,416	36,796	41,208	40,629	36,109	38,123	12,541
Health Insurance Buy Back	273,942	242,408	31,534	258,101	200,383	200,383	191,033	177,500	179,733	110,269	165,227	268,352	339,353	288,492	306,155	(63,747)
Health Insurance- Active- PA7	8,401,006	8,032,217	368,789	7,786,970	7,750,283	7,686,770	7,516,644	6,934,323	6,460,894	5,956,501	5,689,293	5,678,974	5,291,584	4,918,007	4,551,222	3,480,995
Health Insurance- Cobra- PC7	0	(35,406)	35,406	(99,229)	(67,127)	(13,341)	(85,131)	(2,180)	(10,721)	0	(346)	(4,886)	0	0	0	(35,406)
Health Insurance- Retired- PR7	3,777,998	3,614,686	163,312	3,385,273	3,365,473	3,464,752	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	1,652,801
Health Insurance- Survivor- PS7	0	0	0	0	0	0	0	0	0	0	0	3,120	0	0	0	0
Health Insurance- HIP	0	0	0	0	0	0	0	0	0	0	40,649	44,426	49,706	50,225	53,325	(53,325)
Total	24,466,021	24,002,710	463,311	22,946,036	22,047,235	22,583,024	21,603,612	21,271,537	22,143,790	21,297,967	19,371,795	19,195,380	18,368,663	17,384,334	14,272,542	9,730,168

% Increase 2021-22 Projected Benefits vs 2009-10 Actual Benefits 68.17%

Increase in Benefits as a % of 2009-10 Actual Total General Fund Expenses 12.14%

Increase in 2021-22 Budget vs 2009-10 Budget 21,225,897

% Increase in 2021-22 Budget vs 2009-10 Budget 26.17%

Analysis of 21-22 Active Healthcare Fund Balance Projection
As of January 31, 2022

	Budgeted					Total Projected
<u>Type of Coverage</u>	<u># of Employees</u>	<u>Budget - Premium</u>		<u>Actual - Premium</u>		<u>2021-2022</u> <u>Fund Balance</u>
Individual Coverage	140.00	13,388	1,874,251	13,747	1,924,607	
Family Coverage	282.00	30,543	8,613,027	31,607	8,913,281	
 FB related to change in rate	 422.00	 10,487,279		 10,837,888		 (350,609)
<u>Type of Coverage</u>	<u>Actual</u> <u># of Employees</u>					
Individual Coverage	126.40			13,747	1,737,645	
Family Coverage	264.30			31,607	8,353,831	
 FB related to changes in coverage	 390.70			 10,091,475		 746,412
 Employee Contributions / Reimbursements		 (2,086,273)		 (2,059,259)		 (27,014)
 Total		 <u>8,401,006</u>		 <u>8,032,216</u>		 <u>368,789</u>

1 Premium increases for calendar 2022 were assumed to be 6.5% for individual and for family coverage. The actual calendar increases were 11.3% and 12.7% respectively.
 2 COBRA recoveries are recorded in a separate account and not reflected above

Analysis of 21-22 Retiree Healthcare Fund Balance Projection
As of January 31, 2022

<u>Type of Coverage</u>	Budgeted # of Retirees	Budget - Premium		Actual - Premium		Total Projected 2021-2022 Fund Balance
Individual Coverage	6.00	13,388	80,325	13,747	82,483	
Family Coverage	28.00	30,543	855,194	31,607	885,007	
Medicare - Individual Coverage	179.00	4,773	854,319	4,696	840,672	
Medicare - Family Coverage - 1 Med	25.00	17,063	426,576	14,737	368,423	
Medicare - Family Coverage - 2 Med	167.00	13,560	2,264,539	13,307	2,222,199	
FB related to change in rate	405.00		4,480,953		4,398,784	82,170
<u>Type of Coverage</u>	Actual # of Retirees					
Individual Coverage	12.70			13,747	174,589	
Family Coverage	18.60			31,607	587,897	
Medicare - Individual Coverage	168.30			4,696	790,419	
Medicare - Family Coverage - 1 Med	27.80			14,737	409,687	
Medicare - Family Coverage - 2 Med	169.40			13,307	2,254,135	
FB related to changes in coverage	396.80				4,216,727	182,056
Retiree Contributions			(702,955)		(602,041)	(100,914)
Total			3,777,998		3,614,686	163,312

1 Premium increases for calendar 2022 were assumed to be 3.5% for Medicare - individual, family 1 and family 2. The actual calendar 2022 changes were 0.7%, -20.3% and 0.2%, respectively.

Sources and Uses of 2021-22 of Projected Excess Unassigned Fund Balance

		With Capital \$ Used
Unassigned Fund Balance at July 1, 2021		4,092,808
Sources of Unassigned Fund Balance in 2021-22		
Total Projected 2021-22 Revenues and Transfers in Excess of Budget	113,923	
Total Projected 2021-22 Unspent Appropriations	<u>2,432,390</u>	
Total Projected Excess Unassigned Fund Balance Available for Assignment		<u>2,546,313</u>
Uses of Unassigned Fund Balance in 2021-22		
Designated to 2022-23 Tax Levy (this is an estimate, the 2022-23 budget is not yet finalized)	(724,067)	
Interest Allocated to Reserves, net		
Proposed Transfer to Capital Projects Fund for 2022 Capital Projects	(185,000)	
Projected Transfer to 2018 Capital Reserve TBD	<u>(1,536,627)</u>	
Total Projected Uses of Excess Unassigned Fund Balance		<u>(2,445,694)</u>
Unassigned Fund Balance at June 30, 2022		<u>4,193,427</u>
2022-23 Budget (this is an estimate, the 22-23 budget is not yet finalized)		<u>104,835,670</u>
Unassigned Fund Balance at June 30, 2022 as a % of 2022-23 Budget		<u>4.00%</u>

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

MANHASSET UFSD FUND BALANCE AND RESERVES

CUMULATIVE COMPONENTS OF AND CHANGES TO FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 THROUGH JUNE 30, 2021

	June 30, 2021	June 30, 2020	2021 vs 2020 Inc./Dec.	June 30, 2019	2020 vs 2019 Inc./Dec.	Cumulative Inc./Dec.
General Fund						
Restricted:						
Reserve for Workers' Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Retirement Contribution	-	-	-	-	-	-
Reserve for Retirement Contribution - TRS Sub Fund	-	-	-	-	-	-
Reserve for Repairs	279,743	279,737	6	152,277	127,460	127,466
Reserve for Unemployment Insurance	-	-	-	-	-	-
Capital Reserve (2010)	1,216,873	4,913,634	(3,696,761)	5,597,433	(683,799)	(4,380,560)
Capital Reserve (2018)	2,178,929	69,722	2,109,207	68,614	1,108	2,110,315
Nonspendable Fund Balance	-	-	-	6,765	(6,765)	(6,765)
Assigned:						
Designated for Encumbrances	240,823	792,181	(551,358)	655,745	136,436	(414,922)
Designated for subsequent year's expenditures	724,067	724,067	-	595,120	128,947	128,947
Designated for COVID-19 Reopening Plan	925,000	4,348,511	(3,423,511)		4,348,511	925,000
Unassigned	<u>4,092,808</u>	<u>4,026,393</u>	<u>66,415</u>	<u>3,979,890</u>	<u>46,503</u>	<u>112,918</u>
Total Fund Balance - General Fund	<u>9,658,243</u>	<u>15,154,245</u>	<u>(5,496,002)</u>	<u>11,055,844</u>	<u>4,098,401</u>	<u>(1,397,601)</u>
Special Aid Fund						
Assigned - unappropriated	-	-	-	-	-	-
School Lunch Fund						
Nonspendable (inventory)	-	-	-	307	(307)	(307)
Assigned - unappropriated	390,969	634,857	(243,888)	527,837	107,020	(136,868)
Total Fund Balance - School Lunch Fund	<u>390,969</u>	<u>634,857</u>	<u>(243,888)</u>	<u>528,144</u>	<u>106,713</u>	<u>(137,175)</u>
Debt Service Fund						
Restricted	183,700	183,147	553	160,290	22,857	23,410
Miscellaneous Special Revenue						
Restricted	523,755	487,084	36,671	-	487,084	523,755
Capital Projects Fund						
Restricted for unspent bond proceeds	755,308	1,862,668	(1,107,360)	1,963,635	(100,967)	(1,208,327)
Restricted for investments in capital assets	-	-	-	-	-	-
Assigned Unappropriated Fund Balance	2,771,051	499,439	2,271,612	905,345	(405,906)	1,865,706
Total Fund Balance - Capital Projects Fund	<u>3,526,359</u>	<u>2,362,107</u>	<u>1,164,252</u>	<u>2,868,980</u>	<u>(506,873)</u>	<u>657,379</u>
Total Fund Balance	<u>\$14,283,026</u>	<u>\$18,821,440</u>	<u>\$ (4,538,414)</u>	<u>\$14,613,258</u>	<u>\$ 4,208,182</u>	<u>\$ (330,232)</u>
General Fund Balance as a Percent of Budget	9.44%	15.05%		11.11%		

See explanatory footnotes on the following pages.

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

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

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

General Fund Restricted Fund Balance:

1. Reserve for Workers' Compensation:

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

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

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

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

2. Reserve for Retirement Contribution/TRS Sub Fund:

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

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

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

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

3. Reserve for Repairs:

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

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

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

Funding/Usage: Voter approval is required to transfer funds to the reserve for repairs. Barring an emergency, at this time it is not anticipated that the repair reserve will be utilized in 2021-22.

4. Reserve for Unemployment Insurance:

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

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

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

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

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

5. 2010 Capital Reserve:

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

Explanation for change: On May 18, 2010, the voters approved the establishment of the 2010 Capital Reserve of up to \$10 million and the Board funded the account with a \$2,118,734 transfer from the Insurance Reserve as of June 2010. On May 17, 2011, voters approved capital projects totaling \$2,405,725 to be funded from the 2010 Capital Reserve, together with unassigned fund balance of up to \$286,991. Projects were completed during Summer 2012 and in 2013. The balance at June 30, 2013 was fully expended in 2013-14, as all approved capital projects were completed. In June 2014 and October 2014, the Board authorized the transfer of \$2 million and \$400,000, respectively, to the 2010 Capital Reserve. In June 2015, the Board authorized the transfer of up to \$3.5 million to the 2010 Capital Reserve, of which \$1,805,170 was transferred as of June 30, 2015. The use of the \$2.4 million was authorized by the voters in December 2014 to partially fund \$22.6 million in capital projects over the next two years. Of this, \$1.75 million was transferred in 2014-15 and \$650,000 was transferred in 2015-16. In June 2016, the Board authorized the transfer of up to \$2 million into the 2010 Capital Reserve. The actual transfer was \$541,307 as of June 30, 2016. In June 2017, the Board authorized the transfer of up to \$2,928,500 to the 2010 Capital Reserve. The actual transfer was \$1,340,175. In addition, \$206,720 was transferred from the Reserve for Unemployment Insurance to the 2010 Capital Reserve, effective June 30, 2017. In June 2018, the Board authorized the transfer of up to \$1,500,000 to the 2010 Capital Reserve. The actual transfer was \$948,885. In June 2019, the Board authorized the transfer of up to \$639,008 to the 2010 Capital Reserve, of which \$639,007 was transferred. This completed the funding of the 2010 Capital Reserve to its total authorized amount of \$10 million. The voters approved Proposition 2 on the May 21, 2019 ballot to expend \$4.925 million of the 2010 Capital Reserve for capital projects, of which \$773,860 and \$3,696,845 was transferred to the Capital Projects Fund in 2019-20 and 2020-21, respectively. Since its inception, interest earnings are \$214,211, and \$8,997,338 of the 2010 Capital Reserve has been utilized for capital projects authorized by the voters.

Other Comments: This reserve fund requires voter approval to create and expend. It is likely the District will seek approval in the near term for a new capital project proposition at the May 17, 2022 vote.

Funding: The 2010 Capital Reserve has been fully funded.

6. 2018 Capital Reserve:

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

Explanation for change: On May 15, 2018, the voters approved the establishment of the 2018 Capital Reserve of up to \$10 million, with a maximum funding term of 10 years. In June 2019, the Board approved a transfer of up to \$750,000 to the 2018 Capital Reserve, of which \$68,614 was transferred. In June 2020, the Board approved a transfer of up to \$5 million to the 2018 Capital Reserve, of which \$0 was transferred. In June 2021, the Board approved a transfer up to \$5 million to the 2018 Capital Reserve, of which \$2,109,205 was transferred.

Other Comments: This reserve requires voter approval to create and expend. It is likely the District will seek approval for a new capital project proposition at the May 17, 2022 vote.

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 was reserved for prepaid expenses at June 30, 2019, expended in 2019-2020.

General Fund Assigned Fund Balance:

1. Unappropriated Fund Balance - Designated for Encumbrances:

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

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

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

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

Explanation for change: The 2019-20 budget applied \$595,120 to the respective tax levy. The 2020-21 and 2021-22 budgets applied \$724,067 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, 2019, the District's unassigned fund balance is at the statutory maximum of 4%. The District's unassigned fund balance at June 30, 2020 was \$4,026,393 after the designation of \$4,348,511 of unassigned fund balance as assigned for the specific purpose of covering the expenses associated with the COVID-19 Reopening Plan in 2020-21. These unanticipated expenses were not provided for in the general fund budget for 2020-21. This assigned and designated fund balance was 4.32% of next year's budget. After such designation, unassigned fund balance of \$4,026,393 was 4% of next year's budget. Actual expenditures related to the 2020-21 COVID-19 Reopening Plan were \$4,210,003. The District's unassigned fund balance at June 30, 2021 is \$4,092,808 after the designation of \$925,000 of unassigned fund balance as assigned for the specific purpose of covering the expenses associated with the COVID-19 Reopening Plan in 2021-22 and to enhance systems security in the wake of the cybersecurity attack in September 2021.

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

Other Funds:
Special Aid Fund:

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

School Lunch Fund:

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

Other Comments: The assigned unappropriated fund balance must be utilized in support of the school program and may include equipment upgrades and cafeteria renovations. Fund balance at June 30, 2019, 2020 and 2021 was approximately 3.69, 4.45 and 4.01 months average expenditure, respectively.

Funding: Federal regulations limit the net cash resources to be retained by the school lunch fund to 3 months average expenditure and requires a plan to expend excess funds. In 2021-22, the District plans to:

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

Debt Service Fund:

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

Explanation for change: The debt service fund increased \$22,857 in 2019-20 and \$553 in 2020-21, primarily allocated interest.

**MANHASSET UFSD
FUND BALANCE AND RESERVES**

Capital Projects Fund:

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

Explanation for change: On December 3, 2014, the District voters approved a Capital Projects Bond Referendum for projects totaling \$22,690,870, which was funded by up to \$19,493,194 of bonds and a transfer from the general fund of \$466,676, \$2.4 million of 2010 Capital Reserve funds and a \$250,000 gift from the Manhasset School Community Association. 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). On May 18, 2021, the voters approved a capital projects proposition to be funded by a transfer of \$1,917,685 from the general fund unassigned fund balance to the Capital Projects fund. The net change in fiscal 2020 is a decrease of \$506,873, due to expenditures of \$1,340,249 pursuant to the 2014 Capital Projects Bond Referendum, the 2018 Smart Schools Bond Act, construction of security vestibules and the 2019 Capital Projects, offset by grants of \$57,216 related to New York State's Smart Schools Bond Act, a transfer from the 2010 Capital Reserve of \$773,860 pursuant to the 2019 Capital Projects Proposition and earned interest. The net change in fiscal 2021 is an increase of \$1,164,252. This net increase is primarily due to transfers from the general fund of \$3,696,845 pursuant to the 2019 Capital Projects proposition and \$1,917,685 pursuant to the 2021 Capital Projects proposition approved by the voters on May 18, 2021, less expenditures of \$4,450,278 pursuant to the 2014 Capital Projects Bond Referendum, the 2019 Capital Projects proposition and the 2021 Capital Projects proposition.