



FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS
June 30, 2023

SYOSSET CENTRAL SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Syosset Central School District
Syosset, New York

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Syosset Central School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

OPINION UNIT	TYPE OF OPINION
Governmental Activities	<i>Unmodified</i>
General Fund	<i>Unmodified</i>
Special Aid Fund	<i>Unmodified</i>
School Food Service Fund	<i>Unmodified</i>
Debt Service Fund	<i>Unmodified</i>
Capital Projects Fund	<i>Unmodified</i>
Extracurricular Activity Funds	<i>Qualified</i>
Scholarships Fund	<i>Unmodified</i>
Fiduciary Fund	<i>Unmodified</i>

Qualified Opinion

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the extracurricular activity funds of the Syosset Central School District, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, other than the extracurricular activity funds, and the fiduciary fund of the Syosset Central School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be

independent of the Syosset Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Extraclassroom Activity Funds

The cash receipts records of the student activities that comprise the extraclassroom activity funds of the Syosset Central School District were not sufficient to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, schedule of the District's proportionate share of the net pension asset/(liability), schedule of District pension contributions, and schedule of changes in the District's total OPEB liability and related ratios on pages 4 through 18 and 57 through 61, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The other information on pages 62 through 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023 on our consideration of the Syosset Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Syosset Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Syosset Central School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

October 27, 2023

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Syosset Central School District's (District) discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023 in comparison with the year ended June 30, 2022, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- The District's total net position was a deficit of \$235,833,504 in the district-wide financial statements at June 30, 2023, compared to a deficit of \$227,521,959 at June 30, 2022. The deficit increased by \$8,311,545 over the prior year due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$274,655,058. Of this amount, \$11,318,636 was offset by program charges for services, and operating grants and contributions. General revenues of \$255,024,877 amount to 95.75% of total revenues.
- The District's general fund fund balance, as reflected in the fund financial statements was \$48,978,982 at June 30, 2023. This balance represents a \$2,679,945 increase (5.79%) over the prior year due to an excess of revenues and other financing sources over expenditures and other financing uses, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows: Restricted fund balances increased by \$1,995,803 due to the funding of reserves and interest allocated to the reserves, offset by the use of reserves. Assigned fund balance increased \$14,887, as the District increased the fund balance appropriated to fund the 2024 budget, which was offset by a decrease in the assignment for encumbrances. Unassigned fund balance increased by \$669,255 to \$10,982,506.
- On February 13, 2018, the voters approved capital improvement projects – Phase II for district-wide improvements more specifically described in the architect and engineers prepared document. The estimated cost of the work is \$45,810,000. The District utilized funding of \$11,465,000, and the balance of \$34,345,000 was to be obtained through issuing debt as authorized by the voters. A total of \$43,007,109 has been expended as of June 30, 2023.
- On February 13, 2018, the voters authorized the District to make energy efficient improvements to various District buildings and facilities at a maximum estimated cost of \$19,989,248. On July 15, 2020 the District issued bonds in the amount of \$19,985,000 to fund these improvements and a total of \$18,811,662 has been expended as of June 30, 2023.
- On June 9, 2020, the voters approved the capital reserve known as the "2020 Construction Capital Reserve Fund." The reserve has a funding cap of \$20,000,000 plus investment income over a probable term of 10 years and provides for funding of annual amounts not exceeding \$5,000,000 from the general fund or transfers from other reserves. This reserve has been funded by the District in the amount of \$10,025,000 plus interest through June 30, 2023. Authorized capital expenditures of \$2,872,325 have been incurred through June 30, 2023.
- The District's 2023 property tax levy of \$213,200,492 was a 2.36% increase over the 2022 tax levy. The District's property tax cap was 2.61%.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (MD&A), the financial statements, required supplementary information, and other information. The financial statements consist of district-wide financial statements, fund financial statements, and notes to financial statements. A graphic display of the relationship of these statements follows:



A. District-Wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District, as a whole, in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the District's school buildings and other capital assets.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary fund.

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period when they become measurable and available. It recognizes expenditures in the period when the District incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness, lease liabilities, workers' compensation, compensated absences, pension costs, and other postemployment benefits (OPEB), which are recognized as expenditures to the extent the related liabilities mature each period.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds: general fund, special aid fund, school food service fund, debt service fund, capital projects fund, extraclassroom activity funds, scholarships fund, and permanent fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

The District reports its fiduciary activities in the fiduciary fund – custodial fund. This fund reports real property taxes and payments in lieu of taxes (PILOT) collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting. All of the District's fiduciary activities are reported in separate statements. The fiduciary activities have been excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position decreased by \$8,311,545, between fiscal year 2022 and 2023. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets				
Current and Other Assets	\$ 81,897,059	\$ 88,056,886	\$ (6,159,827)	(7.00)%
Capital Assets, Net	157,933,292	155,328,446	2,604,846	1.68 %
Net Pension Assets - Proportionate Share	<u>-</u>	<u>113,533,257</u>	<u>(113,533,257)</u>	(100.00)%
Total Assets	<u>239,830,351</u>	<u>356,918,589</u>	<u>(117,088,238)</u>	(32.81)%
Deferred Outflows of Resources	<u>179,237,803</u>	<u>178,329,997</u>	<u>907,806</u>	0.51 %
Liabilities				
Current and Other Liabilities	23,240,682	27,125,691	(3,885,009)	(14.32)%
Long-Term Liabilities	65,138,622	70,861,800	(5,723,178)	(8.08)%
Net Pension Liabilities - Proportionate Share	26,555,615	-	26,555,615	100.00 %
Total OPEB Liability	<u>403,178,352</u>	<u>374,380,365</u>	<u>28,797,987</u>	7.69 %
Total Liabilities	<u>518,113,271</u>	<u>472,367,856</u>	<u>45,745,415</u>	9.68 %
Deferred Inflows of Resources	<u>136,788,387</u>	<u>290,402,689</u>	<u>(153,614,302)</u>	(52.90)%
Net Position (Deficit)				
Net Investment in Capital Assets	104,928,025	100,784,332	4,143,693	4.11 %
Restricted	35,423,479	34,393,825	1,029,654	2.99 %
Unrestricted (Deficit)	<u>(376,185,008)</u>	<u>(362,700,116)</u>	<u>(13,484,892)</u>	3.72 %
Total Net Position (Deficit)	<u>\$ (235,833,504)</u>	<u>\$ (227,521,959)</u>	<u>\$ (8,311,545)</u>	3.65 %

The decrease in current and other assets is due to decreases in the overall cash position of the District and due from state and federal.

The increase in capital assets, net is due to capital asset additions in excess of depreciation/amortization expense. The accompanying Notes to Financial Statements, Note 10 "Capital Assets" provides additional information.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Net pension assets – proportionate share represents the District's share of the New York State Teachers' Retirement System's (TRS) and the New York State and Local Employees' Retirement System's (ERS) collective net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate shares shifted from assets to liabilities. The accompanying Notes to Financial Statements, Note 14 "Pension Plans – New York State," provides additional information.

Deferred outflows of resources represents contributions to the pension plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The decrease in current and other liabilities is primarily the result of the decrease in the District's accounts payable and other liabilities, offset by increases in the due to teachers' retirement system.

The decrease in long-term liabilities is primarily the result of principal payments on bond indebtedness, offset by an increase in lease liabilities.

Net pension liabilities – proportionate share represents the District's share of the TRS' and the ERS' collective net pension liabilities, at the measurement date of the respective year. The increase is due to the shift from net pension assets in the prior year, to net pension liabilities in the current year. The accompanying Notes to Financial Statements, Note 14 "Pension Plans – New York State" provides additional information.

Total OPEB liability increased based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 16 "Postemployment Healthcare Benefits," provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation/amortization and related outstanding debt. The accompanying Other Information, Schedule of Net Investment in Capital Assets provides additional information.

The restricted amount relates to the District's reserves and nonspendable scholarship balance, which increased compared to the prior year mainly due to the interest earned and funding of the reserves.

The unrestricted (deficit) amount relates to the balance of the District's net position. This balance does not include the District's reserves, which are classified as restricted. Additionally, certain unfunded liabilities will have the effect of reducing the District's unrestricted net position. One such unfunded liability is the total OPEB liability. In accordance with state guidelines, the District is only permitted to fund OPEB on a "pay as you go" basis, and is not permitted to accumulate funds for the OPEB liability.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Changes in Net Position

The results of operations, as a whole, are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements, school tax relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2023 and 2022 is as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 4,637,551	\$ 1,771,381	\$ 2,866,170	161.80 %
Operating Grants & Contributions	6,261,493	8,317,849	(2,056,356)	(24.72)%
Capital Grants & Contributions	419,592	-	419,592	N/A
General Revenues				
Property Taxes & STAR	213,226,415	208,332,361	4,894,054	2.35 %
State Sources	26,847,821	20,895,660	5,952,161	28.49 %
Other	14,950,641	11,589,311	3,361,330	29.00 %
Total Revenues	<u>266,343,513</u>	<u>250,906,562</u>	<u>15,436,951</u>	6.15 %
Expenses				
General Support	34,075,275	31,835,400	2,239,875	7.04 %
Instruction	221,682,701	189,619,030	32,063,671	16.91 %
Pupil Transportation	13,209,522	10,983,208	2,226,314	20.27 %
Community Services	379,193	294,828	84,365	28.61 %
Debt Service - Interest	2,050,214	1,585,752	464,462	29.29 %
Food Service Program	3,258,153	2,787,508	470,645	16.88 %
Total Expenses	<u>274,655,058</u>	<u>237,105,726</u>	<u>37,549,332</u>	15.84 %
Change in Net Position	<u>\$ (8,311,545)</u>	<u>\$ 13,800,836</u>	<u>\$ (22,112,381)</u>	(160.22)%

The District's net position decreased by \$8,311,545 and increased by \$13,800,836 for the years ended June 30, 2023 and 2022, respectively.

The District's revenues increased when compared to the prior year, primarily due to the following major changes:

- The increase in state sources is chiefly due to the District receiving more in general aid, lottery aid, and BOCES aid.
- Real property taxes and STAR increased to fund additional appropriations in the voter-approved 2022-2023 budget.
- Other income increased primarily in the areas of interest income and PILOT revenue.
- Charges for services increased mainly in sales in the school food service area as in the prior year all students were eligible for free breakfast and lunch under a COVID-19 relief program.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

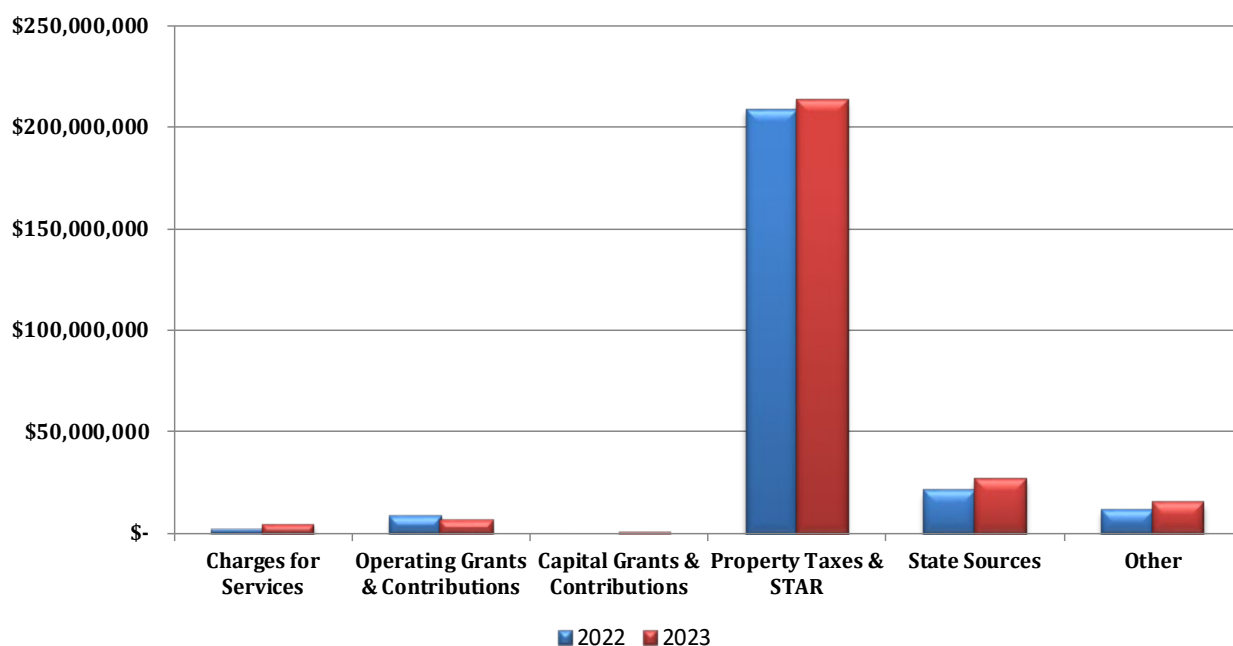
- Operating grants decreased as in the prior year the District was awarded funding under the Coronavirus Aid Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief (ESSER) program and the Governor's Emergency Education Relief (GEER) program.

The District's expenses increased when compared to the prior year, primarily due to the following major changes:

- General support and instruction expenses increased based on the impact of allocations of the net change in actuarially determined expenses for TRS, ERS, and OPEB costs.
- Pupil transportation expenses increased due to a rise in contract bus expenses.

As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 80.1% and 83.0% of the total for the years 2023 and 2022, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 80.8% and 80.0% of the total for the years 2023 and 2022, respectively).

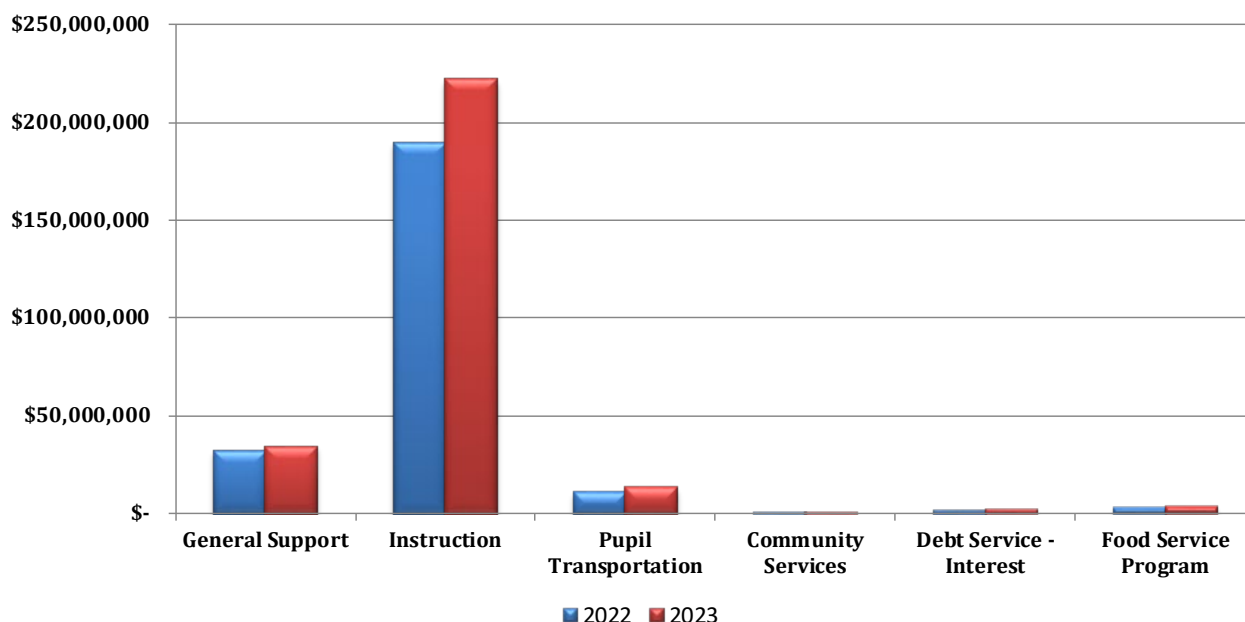
A graphic display of the distribution of revenues for the two years follows:



	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Property Taxes & STAR	State Sources	Other
2022	0.7%	3.3%	0.0%	83.0%	8.3%	4.7%
2023	1.7%	2.4%	0.2%	80.1%	10.1%	5.5%

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A graphic display of the distribution of expenses for the two years follows:



	General Support	Instruction	Pupil Transportation	Community Services	Debt Service - Interest	Food Service Program
2022	13.4%	80.0%	4.6%	0.1%	0.7%	1.2%
2023	12.4%	80.8%	4.8%	0.1%	0.7%	1.2%

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2023, the District's governmental funds reported a combined fund balance of \$58,647,015, which is a decrease of \$2,593,204 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting, and was primarily the result of activity in the capital projects fund. A summary of the change in the components of fund balance by fund is as follows:

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Nonspendable: Prepaids	\$ 3,050	\$ 3,050	\$ -	0.00 %
Restricted				
Workers' compensation	3,228,118	3,548,817	(320,699)	(9.04)%
Unemployment insurance	723,370	721,540	1,830	0.25 %
Retirement contribution				
Teachers' retirement system	8,431,507	7,408,443	1,023,064	13.81 %
Employees' retirement system	11,384,607	11,790,346	(405,739)	(3.44)%
Insurance	160,035	155,308	4,727	3.04 %
Employee benefit accrued liability	3,274,487	3,277,892	(3,405)	(0.10)%
Capital	8,029,542	6,336,351	1,693,191	26.72 %
Repairs	174,380	171,546	2,834	1.65 %
Assigned:				
Appropriated fund balance	2,225,000	1,700,000	525,000	30.88 %
Unappropriated fund balance	362,380	872,493	(510,113)	(58.47)%
Unassigned: Fund balance	<u>10,982,506</u>	<u>10,313,251</u>	<u>669,255</u>	6.49 %
	<u>48,978,982</u>	<u>46,299,037</u>	<u>2,679,945</u>	5.79 %
School Food Service Fund				
Nonspendable: Inventory	2,084	74	2,010	2716.22 %
Assigned: Unappropriated fund balance	<u>806,625</u>	<u>967,138</u>	<u>(160,513)</u>	(16.60)%
	<u>808,709</u>	<u>967,212</u>	<u>(158,503)</u>	(16.39)%
Debt Service Fund				
Restricted: Debt	<u>11,003</u>	<u>941,036</u>	<u>(930,033)</u>	(98.83)%
Capital Projects Fund				
Restricted:				
Capital	3,341	39,501	(36,160)	(91.54)%
Unspent debt proceeds	4,475,900	7,256,697	(2,780,797)	(38.32)%
Assigned: Unappropriated fund balance	<u>3,886,087</u>	<u>5,352,040</u>	<u>(1,465,953)</u>	(27.39)%
	<u>8,365,328</u>	<u>12,648,238</u>	<u>(4,282,910)</u>	(33.86)%
Extraclassroom Activity Funds				
Assigned: Unappropriated fund balance	<u>479,904</u>	<u>381,651</u>	<u>98,253</u>	25.74 %
Scholarships Fund				
Restricted: Scholarships	<u>89</u>	<u>45</u>	<u>44</u>	97.78 %
Permanent Fund				
Nonspendable	<u>3,000</u>	<u>3,000</u>	<u>-</u>	0.00 %
Total Fund Balance	<u>\$ 58,647,015</u>	<u>\$ 61,240,219</u>	<u>\$ (2,593,204)</u>	(4.23)%

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. General Fund

The general fund – fund balance is a net increase of \$2,679,945 compared to an increase of \$2,333,535 in 2022. This resulted from revenues and other financing sources in excess of expenditures and other financing uses.

The following is a summary of the major changes that resulted in revenues and other financing sources increasing over the prior year.

	2023	2022	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	\$ 213,226,415	\$ 208,332,361	\$ 4,894,054	2.35 %
Other Local Sources	14,828,674	11,539,097	3,289,577	28.51 %
State Sources	26,747,821	20,963,594	5,784,227	27.59 %
Medicaid Reimbursement	113,266	55,816	57,450	102.93 %
Federal Sources	373,012	17,802	355,210	1995.34 %
Other Financing Sources	1,169,404	1,442,035	(272,631)	(18.91)%
	<u>\$ 256,458,592</u>	<u>\$ 242,350,705</u>	<u>\$ 14,107,887</u>	5.82 %

- State sources increased mainly due to more general aid, lottery aid, and BOCES aid received in the current year.
- Property taxes and STAR increased due to a rise in the tax levy in accordance with the 2022-2023 voter-approved budget.
- Other local sources increased primarily in the areas of interest income and PILOT revenues.

The following is a summary of the major changes that resulted in expenditures and other financing uses increasing over the prior year:

	2023	2022	Increase (Decrease)	Percentage Change
General Support	\$ 27,096,689	\$ 26,079,552	\$ 1,017,137	3.90 %
Instruction	141,130,540	135,872,218	5,258,322	3.87 %
Pupil Transportation	12,514,318	10,664,042	1,850,276	17.35 %
Community Services	249,131	214,953	34,178	15.90 %
Employee Benefits	61,768,233	56,722,916	5,045,317	8.89 %
Debt Service	2,223,547	1,333,064	890,483	66.80 %
Other Financing Uses	8,796,189	9,130,425	(334,236)	(3.66)%
	<u>\$ 253,778,647</u>	<u>\$ 240,017,170</u>	<u>\$ 13,761,477</u>	5.73 %

- Instruction expenditures increased due to routine salary and step increases.
- Employee benefits expenditures increased due to higher pension contribution rates for the TRS and higher health insurance rates.
- Pupil transportation expenses increased due to a rise in contract bus expenses.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The following is a summary of the District's general fund restricted fund balance activity:

	Balance @ June 30, 2022	Use of Reserves	Interest	Funding	Balance @ June 30, 2023
Workers' compensation	\$ 3,548,817	\$ (899,897)	\$ 104,198	\$ 475,000	\$ 3,228,118
Unemployment insurance	721,540	(19,422)	21,252		723,370
Retirement contribution					
TRS	7,408,443	(1,400,000)	216,514	2,206,550	8,431,507
ERS	11,790,346	(2,673,222)	349,503	1,917,980	11,384,607
Insurance	155,308		4,727		160,035
EBALR	3,277,892	(100,000)	96,595		3,274,487
Capital					
May 2014	12,255		149		12,404
May 2018	25,073		740		25,813
June 2020	6,299,023		167,302	1,525,000	7,991,325
Repairs	171,546		2,834		174,380
	<u>\$ 33,410,243</u>	<u>\$ (5,092,541)</u>	<u>\$ 963,814</u>	<u>\$ 6,124,530</u>	<u>\$ 35,406,046</u>

B. School Food Service Fund

The school food service fund - fund balance net decrease represents an operating loss in the program.

C. Debt Service Fund

The debt service fund – fund balance net decrease is the result of a transfer to the general fund.

D. Capital Projects Fund

The capital projects fund – fund balance net decrease is primarily the result of expenditures related to ongoing capital improvement projects, offset by an operating transfer in from the general fund.

The following is a summary of the District's capital projects fund restricted fund balance activity:

	Balance @ June 30, 2022	Use of Reserves	Funding	Balance @ June 30, 2023
June 2020	<u>\$ 39,501</u>	<u>\$ (36,160)</u>	<u>\$ -</u>	<u>\$ 3,341</u>

E. Extraclassroom Activity Funds

The extraclassroom activity funds – fund balance net increase is attributable to revenues from fundraising and collections for student clubs activities exceeding expenditures related to those activities.

F. Scholarships Fund

The scholarships fund – fund balance net increase is the result of scholarship interest.

G. Permanent Fund

The permanent fund – fund balance, which did not change from the prior year, consists of nonspendable scholarship funds.

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2022-2023 Budget

The District's general fund adopted budget for the year ended June 30, 2023 was \$257,831,270. This amount was increased by encumbrances carried forward from the prior year in the amount of \$872,493, and budget revisions of \$672,289, for a total final budget of \$259,376,052.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$213,200,492 in estimated property taxes and STAR.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of current and prior years' excess revenues over expenditures, net of transfers to reserves, appropriations to fund the subsequent year's budget, encumbrances, and amounts classified as nonspendable. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 10,313,251
Revenues and Other Financing Sources Over Budget	4,823,026
Expenditures, Other Financing Uses, and Encumbrances Under Budget	5,235,025
Unused Appropriated Reserves	(75,452)
Allocation to Reserves	(7,088,344)
Appropriated to Fund the June 30, 2024 Budget	<u>(2,225,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 10,982,506</u>

Opening, Unassigned Fund Balance

The \$10,313,251 shown in the table is the portion of the District's June 30, 2022 fund balance that was retained as unassigned.

Revenues and Other Financing Sources Over Budget

The 2022-2023 final budget for revenues and other financing sources was \$251,635,566. Actual revenues and other sources recognized for the year were \$256,458,592. The excess of actual revenues and other financing sources over estimated or budgeted revenues and other financing sources was \$4,823,026, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2022 to June 30, 2023. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2022-2023 final budget for expenditures and other financing uses was \$259,376,052. Actual expenditures and other financing uses as of June 30, 2023 were \$253,778,647 and outstanding encumbrances were \$362,380. Combined, the expenditures and other financing uses plus encumbrances

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

for 2022-2023 were \$254,141,027. The final budget variance was \$5,235,025, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2022 to June 30, 2023. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Unused Appropriated Reserves

In the 2022-2023 budget, \$4,550,400 of reserves was appropriated to reduce the tax levy. Due to lower than anticipated reserve expenditures, \$75,452 from the unemployment reserve and the retirement contribution ERS reserve was not needed and, therefore, was required to be returned to the reserve and is available for future use.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers. The table in §4.A. of this MD&A details the allocation of interest earnings and funding transfers to the reserves.

Appropriated Fund Balance

The District has chosen to use \$2,225,000 of the available June 30, 2023 unassigned fund balance to partially fund the 2023-2024 approved operating budget. As such, the June 30, 2023 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the unassigned fund balance at June 30, 2023 was \$10,982,506. This amount equals 4% of the 2023-2024 budget and is equivalent to the 4% statutory limit.

6. CAPITAL ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

At June 30, 2023, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions of \$9,271,918 in excess of depreciation/amortization expense of \$6,667,072 recorded for the year ended June 30, 2023. A summary of the District's capital assets, net of accumulated depreciation/amortization at June 30, 2023 and 2022 is as follows:

	June 30, 2023	June 30, 2022	Increase (Decrease)
Land	\$ 1,254,281	\$ 1,254,281	\$ -
Construction work in progress	49,128,661	51,614,322	(2,485,661)
Buildings and improvements	88,135,872	83,175,961	4,959,911
Land improvements	9,091,378	8,236,579	854,799
Furniture, equipment and vehicles	7,241,090	7,428,047	(186,957)
Leased equipment and fixtures	3,082,010	3,619,256	(537,246)
Capital assets, net	<u>\$ 157,933,292</u>	<u>\$ 155,328,446</u>	<u>\$ 2,604,846</u>

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Debt Administration

At June 30, 2023, the District had combined total debt of \$55,196,865. The decreases in outstanding debt represent principal payments made throughout the year, while the increases indicate new issuances. A summary of the outstanding debt at June 30, 2023 and 2022 is as follows:

<u>Issue/ Commencement Date</u>	<u>Interest Rate</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Bonds Payable				
2013	2.0-5.0 %	\$ 2,610,000	\$ 3,390,000	\$ (780,000)
2013	2.0-5.0 %	1,155,000	2,530,000	(1,375,000)
2015	2.0-5.0 %	580,000	715,000	(135,000)
2019	2.0-2.25%	26,180,000	27,535,000	(1,355,000)
2020	2.00%	21,500,000	22,950,000	(1,450,000)
		<u>\$ 52,025,000</u>	<u>\$ 57,120,000</u>	<u>\$ (5,095,000)</u>
Lease Liabilities				
2020	0.970%	\$	\$ 98,696	\$ (98,696)
2020	1.080%	229,477	329,691	(100,214)
2021	2.240%	2,433,570	3,282,024	(848,454)
2026	2.275%	297,295	-	297,295
2027	2.275%	211,523	-	211,523
		<u>\$ 3,171,865</u>	<u>\$ 3,710,411</u>	<u>\$ (538,546)</u>

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa1. The District's outstanding serial bonds at June 30, 2023 are approximately 4.44% of the District's debt limit.

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, and workers' compensation liabilities, net pension liabilities – proportionate share, and total OPEB liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2023 and 2022 is as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Compensated absences payable	\$ 5,087,283	\$ 5,085,515	\$ 1,768
Workers' compensation liabilities	4,064,052	3,975,474	88,578
Net pension liabilities - proportionate share	26,555,615	-	26,555,615
Total OPEB liability	<u>403,178,352</u>	<u>374,380,365</u>	<u>28,797,987</u>
	<u>\$ 438,885,302</u>	<u>\$ 383,441,354</u>	<u>\$ 55,443,948</u>

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 16, 2023, for the year ending June 30, 2024 is \$274,562,660. This is an increase of \$16,731,390 or 6.49% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at an \$8,499,794 increase over the prior year's estimate, which is principally due to an estimated increase in state aid. The assigned, appropriated fund balance applied to the budget in the amount of \$2,225,000 is a \$525,000 increase over the previous year. Additionally, the District has elected to appropriate \$5,885,023 of reserves towards the next year's budget, which is an increase of \$1,334,623 over the previous year. A property tax increase of \$6,371,973 (2.99%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

Dwindling state and federal support of initiatives established during the pandemic, the continued need for additional resources to close learning gaps, fluctuating rates in this inflationary environment, and increases in charges of fuel, goods, and borrowing costs may impact the District's future budgets.

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2023-2024 is 3.07%. The District's 2023-2024 property tax increase of 2.99% was less than the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

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

Dr. Patricia M. Rufo
Assistant Superintendent for Business
Syosset Central School District
99 Pell Lane
Syosset, New York 11791

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

ASSETS

Cash	
Unrestricted	\$ 31,505,487
Restricted	39,899,379
Receivables	
Accounts receivable	10,008
Taxes receivable	3,695,199
Due from state and federal	5,965,666
Due from other governments	816,186
Prepays	3,050
Inventory	2,084
Capital assets:	
Not being depreciated/amortized	50,382,942
Being depreciated/amortized, net of accumulated depreciation/amortization	<u>107,550,350</u>
 Total Assets	 <u>239,830,351</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	74,314,813
Other postemployment benefits	<u>104,922,990</u>
 Total Deferred Outflows of Resources	 <u>179,237,803</u>

LIABILITIES

Payables	
Accounts payable	6,772,691
Accrued liabilities	1,005,818
Due to fiduciary funds	315,962
Due to other governments	278,861
Due to teachers' retirement system	13,048,077
Due to employees' retirement system	879,767
Compensated absences payable	208,533
Other liabilities	190,669
Unearned credits	
Collections in advance	540,304
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	4,415,239
Lease liabilities	1,134,950
Compensated absences payable	100,000
Due and payable after one year	
Bonds payable, net	48,400,183
Lease liabilities	2,036,915
Compensated absences payable	4,987,283
Workers' compensation liabilities	4,064,052
Net pension liabilities - proportionate share	26,555,615
Total other postemployment benefits liability	<u>403,178,352</u>
 Total Liabilities	 <u>518,113,271</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	5,647,360
Other postemployment benefits	<u>131,141,027</u>
 Total Deferred Inflows of Resources	 <u>136,788,387</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>104,928,025</u>
Restricted:	
Workers' compensation	3,228,118
Unemployment insurance	723,370
Retirement contribution	
Teachers' retirement system	8,431,507
Employees' retirement system	11,384,607
Insurance	160,035
Employee benefit accrued liability	3,274,487
Capital	8,032,883
Repairs	174,380
Debt	11,003
Scholarships	3,089
	<u>35,423,479</u>
 Unrestricted (Deficit)	 <u>(376,185,008)</u>
 Total Net Position (Deficit)	 <u>\$ (235,833,504)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues		Net (Expense)
		Charges for	Operating Grants	Revenue and
		Services	& Contributions	Changes in
	Expenses		Capital Grants	Net Position
			& Contributions	
FUNCTIONS/PROGRAMS				
General support	\$ 34,075,275	\$	\$	\$ (34,075,275)
Instruction	221,682,701	2,623,185	5,144,780	419,592 (213,495,144)
Pupil transportation	13,209,522			(13,209,522)
Community services	379,193			(379,193)
Debt service - interest	2,050,214			(2,050,214)
Food service program	3,258,153	2,014,366	1,116,713	(127,074)
Total Functions and Programs	<u>\$ 274,655,058</u>	<u>\$ 4,637,551</u>	<u>\$ 6,261,493</u>	<u>\$ 419,592 (263,336,422)</u>
GENERAL REVENUES				
Real property taxes				207,097,252
Other tax items				16,621,001
Use of money and property				1,969,176
Sale of property and compensation for loss				265,260
Miscellaneous				1,181,101
State sources				26,847,821
Intergovernmental revenue				930,000
Medicaid reimbursement				<u>113,266</u>
Total General Revenues				<u>255,024,877</u>
Change in Net Position				(8,311,545)
Total Net Position (Deficit) - Beginning of Year				<u>(227,521,959)</u>
Total Net Position (Deficit) - End of Year				<u>\$ (235,833,504)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activity	Scholarships	Permanent	Total Governmental Funds
ASSETS									
Cash									
Unrestricted	\$ 24,187,409	\$ 30,211	\$ 1,190,451	\$	\$ 5,617,512	\$ 479,904	\$	\$	\$ 31,505,487
Restricted	35,406,046			11,003	4,479,241		89	3,000	39,899,379
Receivables									
Accounts receivable	9,612		396						10,008
Taxes receivable	3,695,199								3,695,199
Due from other funds	2,427,874		271,207						2,699,081
Due from state and federal	3,652,440	2,153,505	65,129		94,592				5,965,666
Due from other governments	511,782	229,404			75,000				816,186
Prepays	3,050								3,050
Inventory			2,084						2,084
Total Assets	<u>\$ 69,893,412</u>	<u>\$ 2,413,120</u>	<u>\$ 1,529,267</u>	<u>\$ 11,003</u>	<u>\$ 10,266,345</u>	<u>\$ 479,904</u>	<u>\$ 89</u>	<u>\$ 3,000</u>	<u>\$ 84,596,140</u>
LIABILITIES									
Payables									
Accounts payable	\$ 4,848,197	\$ 210,201	\$ 220,413	\$	\$ 1,493,880	\$	\$	\$	\$ 6,772,691
Accrued liabilities	728,688	10,976	5,924						745,588
Due to other funds	587,170	2,190,328			237,545				3,015,043
Due to other governments	260,666	1,615	16,580						278,861
Due to teachers' retirement system	13,048,077								13,048,077
Due to employees' retirement system	879,767								879,767
Compensated absences payable	208,533								208,533
Other liabilities	190,669								190,669
Unearned credits									
Collections in advance	62,663		477,641						540,304
Total Liabilities	<u>20,814,430</u>	<u>2,413,120</u>	<u>720,558</u>	<u>-</u>	<u>1,731,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,679,533</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	100,000				169,592				269,592
FUND BALANCES									
Nonspendable:									
Prepays	3,050								3,050
Inventory			2,084						2,084
Scholarships								3,000	3,000
Restricted:									
Workers' compensation	3,228,118								3,228,118
Unemployment insurance	723,370								723,370
Retirement contribution									
Teachers' retirement system	8,431,507								8,431,507
Employees' retirement system	11,384,607								11,384,607
Insurance	160,035								160,035
Employee benefit accrued liability	3,274,487								3,274,487
Capital	8,029,542				3,341				8,032,883
Repairs	174,380								174,380
Debt				11,003					11,003
Scholarships							89		89
Unspent debt proceeds					4,475,900				4,475,900
Assigned:									
Appropriated fund balance	2,225,000								2,225,000
Unappropriated fund balance	362,380		806,625		3,886,087	479,904			5,534,996
Unassigned: Fund balance	10,982,506								10,982,506
Total Fund Balances	<u>48,978,982</u>	<u>-</u>	<u>808,709</u>	<u>11,003</u>	<u>8,365,328</u>	<u>479,904</u>	<u>89</u>	<u>3,000</u>	<u>58,647,015</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 69,893,412</u>	<u>\$ 2,413,120</u>	<u>\$ 1,529,267</u>	<u>\$ 11,003</u>	<u>\$ 10,266,345</u>	<u>\$ 479,904</u>	<u>\$ 89</u>	<u>\$ 3,000</u>	<u>\$ 84,596,140</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total Governmental Fund Balances	\$ 58,647,015
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The costs of building, acquiring, and right-to-use capital assets financed from the governmental funds are reported reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 252,367,122	
Less: Accumulated depreciation/amortization	<u>(94,433,830)</u>	
		157,933,292

Proportionate share of long-term liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	74,314,813	
Net pension liability - teachers' retirement system	(11,950,526)	
Net pension liability - employees' retirement system	(14,605,089)	
Deferred inflows of resources	<u>(5,647,360)</u>	
		42,111,838

Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	104,922,990	
Total other postemployment benefits liability	(403,178,352)	
Deferred inflows of resources	<u>(131,141,027)</u>	
		(429,396,389)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

269,592

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

Accrued interest on debt	(260,230)	
Bonds payable, net	(52,815,422)	
Lease liabilities	(3,171,865)	
Compensated absences payable	(5,087,283)	
Workers' compensation liabilities	<u>(4,064,052)</u>	
		(65,398,852)

Total Net Position (Deficit)	<u><u>\$ (235,833,504)</u></u>
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SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activity	Scholarships	Permanent	Total Governmental Funds
REVENUES									
Real property taxes	\$ 207,097,252	\$	\$	\$	\$	\$	\$	\$	\$ 207,097,252
Other tax items	16,621,001								16,621,001
Charges for services	946,742								946,742
Use of money and property	1,943,733		15,475	9,968			44		1,969,220
Sale of property and compensation for loss	265,260								265,260
Miscellaneous	1,181,101		92		250,000	1,676,443			3,107,636
Intergovernmental revenue				930,000					930,000
State sources	26,747,821	1,373,374	34,744						28,155,939
Medicaid reimbursement	113,266								113,266
Federal sources	373,012	3,398,350	1,081,969						4,853,331
Sales			2,014,274						2,014,274
Total Revenues	255,289,188	4,771,724	3,146,554	939,968	250,000	1,676,443	44	-	266,073,921
EXPENDITURES									
General support	27,096,689	28,919							27,125,608
Instruction	141,130,540	4,528,139				1,578,190			147,236,869
Pupil transportation	12,514,318	266,833							12,781,151
Community services	249,131								249,131
Employee benefits	61,768,233								61,768,233
Debt service									
Principal	1,200,493			5,095,000					6,295,493
Interest	1,023,054			1,255,932					2,278,986
Food service program			3,308,744						3,308,744
Capital outlay					8,284,857				8,284,857
Total Expenditures	244,982,458	4,823,891	3,308,744	6,350,932	8,284,857	1,578,190	-	-	269,329,072
Excess (Deficiency) of Revenues Over Expenditures	10,306,730	(52,167)	(162,190)	(5,410,964)	(8,034,857)	98,253	44	-	(3,255,151)
OTHER FINANCING SOURCES AND (USES)									
Proceeds of debt					661,947				661,947
Operating transfers in	1,169,404	281,571	3,687	5,420,931	3,090,000				9,965,593
Operating transfers (out)	(8,796,189)	(229,404)		(940,000)					(9,965,593)
Total Other Financing Sources and (Uses)	(7,626,785)	52,167	3,687	4,480,931	3,751,947	-	-	-	661,947
Net Change in Fund Balances	2,679,945	-	(158,503)	(930,033)	(4,282,910)	98,253	44	-	(2,593,204)
Fund Balances - Beginning of Year	46,299,037		967,212	941,036	12,648,238	381,651	45	3,000	61,240,219
Fund Balances - End of Year	\$ 48,978,982	\$ -	\$ 808,709	\$ 11,003	\$ 8,365,328	\$ 479,904	\$ 89	\$ 3,000	\$ 58,647,015

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances \$ (2,593,204)

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

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).

\$ 269,592

Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in workers' compensation liabilities
Increase in compensated absences payable

(88,578)
(1,768)

179,246

Capital Related Differences

Capital outlays to purchase, build, or right-to-use capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation/amortization expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation/amortization expense in the period.

Capital outlays and other additions
Depreciation/amortization expense

9,271,918
(6,667,072)

2,604,846

Long-Term Debt Transactions Differences

Proceeds from the issuance of debt are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.

(661,947)

The amortization of the deferred premium decreases interest expense in the Statement of Activities.

179,978

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bond payable
Lease liabilities

5,095,000
1,200,493

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2022 to June 30, 2023.

48,794

5,862,318

Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Teachers' retirement system
Employees' retirement system
Other postemployment benefits

(3,640,873)
(2,959,673)
(7,764,205)

(14,364,751)

Change in Net Position (Deficit) of Governmental Activities

\$ (8,311,545)

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2023

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 4,104
Accounts receivable	36
Due from governmental funds	<u>315,962</u>
Total Assets	<u>320,102</u>
LIABILITIES	
Due to other governments	<u>315,962</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ 4,140</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2023

	<u>Custodial</u>
ADDITIONS	
Real property taxes and PILOT collected for the Library	\$ 7,897,517
Interest and earnings	84
Participant fees	<u>1,216</u>
Total Additions	<u>7,898,817</u>
DEDUCTIONS	
Real property taxes and PILOT disbursed to the Library	7,897,517
Participant expenses	<u>4,072</u>
Total Deductions	<u>7,901,589</u>
Change in Net Position	(2,772)
Net Position - Beginning of Year	<u>6,912</u>
Net Position - End of Year	<u><u>\$ 4,140</u></u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Syosset Central School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are as follows:

A. Reporting Entity

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

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

B. Joint Venture

The District is a component district in the Board of Cooperative Educational Services of Nassau (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law (GML). A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component District's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants reflect capital-specific grants, if applicable.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including real property taxes and state aid, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund type, governmental and fiduciary, are presented. The District's financial statements present the following fund types:

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the District's major governmental funds:

General Fund - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Aid Fund - is used to account for the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

School Food Service Fund - is used to account for the activities of the food service program.

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

Capital Projects Fund - is used to account for the financial resources used for the acquisition, construction, renovation, major repair, or the right-to-use capital facilities and other capital assets.

Extraclassroom Activity Funds - is used to account for the funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements of the extraclassroom activity funds can be found at the District's Business Office.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Scholarships Fund – is used to account for funds collected that benefit annual third-party awards and scholarships for students.

Permanent Funds – used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for scholarship purposes.

Fiduciary Funds – are used to account for activities in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used to finance District operations. The following is the District's fiduciary fund:

Custodial Fund – is used to account for real property taxes collected on behalf of other governments and disbursed to those governments. Also included are collections on behalf of another organization, which same amounts are disbursed subsequently.

D. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available financial resources (e.g., compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease liabilities, workers' compensation, compensated absences,

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

pension costs, and OPEB, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

E. Real Property Taxes and Other Tax Items

Calendar

Real property taxes are levied annually by the Board in August and become a lien on October 1st and April 1st. Taxes are collected by the Town of Oyster Bay (Town) and remitted to the District from December to June.

Enforcement

Uncollected real property taxes are subsequently enforced by the County of Nassau in June.

School Tax Relief (STAR) Aid

New York State implemented the STAR program with the enactment of Chapter 389 of the Laws of 1997 to reduce the school property tax burden on residential homeowners. A school district's annual property tax levy as adopted is reduced by the total amount of the STAR exemptions granted to homeowners. School districts are reimbursed for this loss in property tax revenues by the state with STAR aid, which is reported as other tax items revenues.

F. Payments in Lieu of Taxes (PILOT)

The District reports PILOT revenues in the general fund as part of other tax items revenues. These PILOT revenues are often the result of tax abatements granted by industrial development agencies of the Town and/or the County to help promote local economic development. Property owners make PILOT payments to the government agencies, which in turn remit the collected payments to the District.

PILOT payments collected on behalf of the Library are remitted to the Library. These amounts have been included as additions in the Statement of Changes in Fiduciary Net Position.

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$5,004,594 in LIPA PILOT revenue during the 2022-2023 fiscal year.

G. Restricted Resources

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

H. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables among the funds, with the exception of those due from or to the fiduciary funds.

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

A detailed disclosure by individual fund for interfund receivables, payables, transfers in, and transfers out activity is provided subsequently in these Notes to Financial Statements.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, compensated absences, pension costs, OPEB, workers' compensation liabilities, potential contingent liabilities, and useful lives of capital assets.

J. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits, and investments with a maturity date of three months or less from date of acquisition.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

K. Receivables

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

L. Inventory and Prepaid Items

Inventory of food in the school food service fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. Inventory is accounted for on the consumption method.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments reflect costs applicable to a future accounting period and are recorded on the Statement of Net Position and Balance Sheet using the consumption method.

Under the consumption method, a current asset for the inventory and/or prepaid is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaid items do not constitute available spendable resources.

M. Capital Assets

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital assets, except land and construction in progress, are depreciated/amortized on a straight-line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 10,000	50 years
Land improvements	10,000	20 years
Furniture, equipment, and vehicles	1,000	5-15 years
Leased equipment and fixtures	0	3-5 years

N. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions and consists of the District's proportionate share of changes in the collective net pension assets or liabilities not included in collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The second item is related to OPEB and represents the change in the total OPEB liability not included in OPEB expense.

O. Short-Term Debt

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

P. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures in the special aid fund, or when monies are received in advance from payers prior to the services being rendered by the District, such as summer program, other fees and awards in the general fund, prepaid meal amounts and supply chain assistance monies in the school food service fund. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

Q. Employee Benefits – Compensated Absences

Compensated absences consist of unpaid accumulated sick leave and vacation leave.

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination, or death.

Certain collectively bargained agreements require these payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

The liability for compensated absences has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund financial statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

R. Other Benefits

Eligible District employees participate in the TRS or the ERS.

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

S. Long-Term Debt

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

In the district-wide financial statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

T. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue/expense credit) until that time. The District has three items that may qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables of certain state aid allocations. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the District-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the district-wide Statement of Net Position and consists of the District's proportionate share of the change in the collective net pension assets or liabilities not included in collective pension expense. The third item is related to OPEB reported in the district-wide Statement of Net Position and represents the change in the total OPEB liability not included in OPEB expense.

U. Equity Classifications

District-Wide Statements

In the district-wide statements there are three classes of net position:

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, and improvements of those assets, net of any unexpended proceeds.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Unrestricted – Reports the balance of net position that does not meet the definition of the above two classifications.

Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of prepaids, which are recorded in the general fund, inventory, which is recorded in the school food service fund, and nonspendable scholarships, which are recorded in the permanent fund.

Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is 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 this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. The reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the ERS and TRS. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. Contributions to the TRS sub-fund are limited to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The TRS sub-fund is separately administered, but must comply with all the existing provisions of GML. These reserves are accounted for in the general fund.

Insurance Reserve

Insurance Reserve (GML §6-n) is used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefits primarily based on unused and unpaid sick leave, personal leave, holiday leave, or vacation leave due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

Capital Reserve

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

Repairs Reserve

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted for Debt

Unexpended balances of proceeds of borrowings for capital projects, interest, and earnings from investing proceeds of obligations, and premiums and accrued interest on long-term borrowings are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts are accounted for in the debt service fund.

Restricted for Scholarships

Amounts restricted for scholarships are used to account for monies donated for scholarship purposes, including earnings and net of awards. These restricted funds are accounted for in the scholarships fund.

Restricted – Unspent Debt Proceeds

Unspent long-term debt proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual, positive amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned – Represents the residual classification for the District's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending of available resources. NYS Real Property Tax Law §1318 restricts the unassigned fund balance of the general fund to an amount not greater than 4% of the subsequent year's budget.

Fund Balance Classification

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

The Board shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned), the Board will assess the current financial condition of the District and then determine the order of fund balance classification to which the expenditures will be charged.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance for identifying certain subscription-based assets and liabilities that were previously classified as expenditures and recognized as inflows or outflows of resources based on payment provisions of the contract. This statement had no impact on these financial statements.

3. FUTURE ACCOUNTING STANDARDS

The GASB Statements are issued to set GAAP for state and local governments. The following is not an all-inclusive list of GASB statements issued, but statements that the District feels may have a future impact on these financial statements. The District will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
June 30, 2024	GASB No. 99 – <i>Omnibus 2022</i>
June 30, 2025	GASB No. 101 – <i>Compensated Absences</i>

GASB Statement No. 99 provides additional guidance to enhance comparability in accounting and financial reporting to improve consistency of previously issued literature.

GASB Statement No. 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures.

4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE DISTRICT-WIDE STATEMENTS AND THE GOVERNMENTAL FUND STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

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

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

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

Differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

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

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension and Other Postemployment Benefits Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District’s proportionate share of the collective pension expense of the plan.

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The District’s administration prepares a proposed budget for approval by the Board for the general fund, the only fund with a legally adopted budget.

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

the planned use of specific reserves, and can be increased by budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

Repairs funded by insurance recoveries	\$ 50,696
Contingent expenditures funded by donations	4,000
Employee benefit expenditures funded by:	
Retirement contribution reserve	447,696
Workers' compensation reserve	169,897
	<u>\$ 672,289</u>

Budgets are adopted annually on a basis consistent with GAAP.

Budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

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

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits, and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged and letters of credit on the District's behalf at year end.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The District did not have any investments at year end or during the year. Consequently, the District was not exposed to any material interest rate risk or foreign currency risk.

7. PARTICIPATION IN BOCES

During the year ended June 30, 2023, the District was billed \$12,524,514 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,198,803. Financial statements for BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

8. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2023 consisted of:

General Fund	
New York State - general aid	\$ 719,405
New York State - excess cost aid	678,610
New York State Department of Health	19,591
Dormitory Authority of the State of New York	100,000
BOCES aid	2,060,253
Universal Service Fund	74,581
	<u>3,652,440</u>
Special Aid Fund	
Federal and state grants	2,153,505
School Food Service Fund	
Federal and state food service program reimbursements	65,129
Capital Projects Fund	
Smart Schools Bond Act	94,592
	<u>\$ 5,965,666</u>

District management expects these amounts to be fully collectible.

9. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2023 consisted of:

General Fund	
PILOT payments	\$ 224,356
Other districts - split property	5,312
Other districts - tuition and health services	275,686
Miscellaneous	6,428
	<u>511,782</u>
Special Aid Fund	
Nassau County grant - ELC reopening	229,404
Capital Projects Fund	
Nassau County grant - Fitness center	75,000
	<u>\$ 816,186</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

District management expects these amounts to be fully collectible.

10. CAPITAL ASSETS

A. Changes

Capital assets balances and activity for the year ended June 30, 2023 were as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Governmental activities				
Capital assets not being depreciated/amortized:				
Land	\$ 1,254,281	\$	\$	\$ 1,254,281
Construction work in progress	51,614,322		(2,485,661)	49,128,661
Total capital assets not being depreciated/amortized	52,868,603	-	(2,485,661)	50,382,942
Capital assets being depreciated/amortized:				
Buildings and improvements	156,068,193	8,940,569		165,008,762
Land improvements	12,075,643	1,168,002		13,243,645
Furniture, equipment, and vehicles	17,444,748	987,061	(26,067)	18,405,742
Leased equipment and fixtures	4,664,084	661,947		5,326,031
Total capital assets being depreciated/amortized	190,252,668	11,757,579	(26,067)	201,984,180
Less accumulated depreciation/amortization for:				
Buildings and improvements	72,892,232	3,980,658		76,872,890
Land improvements	3,839,064	313,203		4,152,267
Furniture, equipment, and vehicles	10,016,701	1,174,018	(26,067)	11,164,652
Leased equipment and fixtures	1,044,828	1,199,193		2,244,021
Total accumulated depreciation/amortization	87,792,825	6,667,072	(26,067)	94,433,830
Total capital assets, being depreciated/amortized, net	102,459,843	5,090,507	-	107,550,350
Capital assets, net	<u>\$ 155,328,446</u>	<u>\$ 5,090,507</u>	<u>\$ (2,485,661)</u>	<u>\$ 157,933,292</u>

Depreciation/amortization expense was charged to governmental functions as follows:

General support	\$ 698,459
Instruction	5,647,785
Pupil transportation	265,252
Community service	7,617
Food service program	47,959
Total depreciation/amortization expense	<u>\$ 6,667,072</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Lease Liabilities

The District has entered into various lease arrangements that are subject to GASB Statement No. 87. The terms of these leases vary between three and five years with discount rates ranging from 1.080% to 2.275%. These leases are included in leased equipment and fixtures as indicated in the previous table. The District has not provided any residual value guarantees related to these leased capital assets.

11. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2023 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 2,427,874	\$ 587,170	\$ 1,169,404	\$ 8,796,189
Special Aid Fund		2,190,328	281,571	229,404
School Food Service Fund	271,207		3,687	
Debt Service Fund			5,420,931	940,000
Capital Projects Fund		237,545	3,090,000	
Total Governmental Funds	2,699,081	3,015,043	\$ 9,965,593	\$ 9,965,593
Custodial Fund	315,962			
Total	\$ 3,015,043	\$ 3,015,043		

The District typically transfers from the general fund to the special aid fund, debt service fund, and capital projects fund. The transfer to the special aid fund was for the District's share of the costs for the summer program for students with disabilities. The transfer to the school food service fund was to reimburse the school food service fund for unpaid student meals balances in accordance with state regulations. The transfer to the debt service fund was for the payment of principal and interest on long-term outstanding indebtedness. The transfer to the capital projects fund is based on the operating budget. The transfer from the special aid fund to the general fund was for reimbursement of grant expenditures paid from the general fund. The transfer from the debt service fund to the general fund was for the payment of debt service as approved in the budget.

12. SHORT-TERM DEBT

Short-term debt activity for the year is summarized below:

	Maturity	Stated Interest Rate	Balance June 30, 2022	Issued	Redeemed	Balance June 30, 2023
TAN	6/28/2023	4.00%	\$ -	\$ 30,000,000	\$ (30,000,000)	\$ -

The TAN was issued to provide cash flow for the District until the real property taxes are received from the Town.

Interest on short-term debt for the year was \$943,333. The District received a premium of \$319,800, which is included in miscellaneous revenue in the general fund. The net effective interest rate was 2.644%.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

13. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension and total OPEB liabilities, for the year are summarized below:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 57,120,000	\$	\$ (5,095,000)	\$ 52,025,000	\$ 4,240,000
Premiums on bonds	970,400		(179,978)	790,422	175,239
	58,090,400	-	(5,274,978)	52,815,422	4,415,239
Lease liabilities	3,710,411	661,947	(1,200,493)	3,171,865	1,134,950
	61,800,811	661,947	(6,475,471)	55,987,287	5,550,189
Other long-term liabilities:					
Compensated absences payable	5,085,515	1,768		5,087,283	100,000
Workers' compensation liabilities	3,975,474	1,010,625	(922,047)	4,064,052	
	9,060,989	1,012,393	(922,047)	9,151,335	100,000
	<u>\$ 70,861,800</u>	<u>\$ 1,674,340</u>	<u>\$ (7,397,518)</u>	<u>\$ 65,138,622</u>	<u>\$ 5,650,189</u>

The general fund has typically been used to liquidate other long-term liabilities.

Additions and reductions to compensated absences are shown net since it is impractical to separately determine these amounts. The maturity of compensated absences is not determinable.

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2023
Serial bonds (refunding)	10/2013	12/2025	2.0-5.0 %	\$ 2,610,000
Serial bonds (refunding)	10/2013	7/2025	2.0-5.0 %	1,155,000
Serial bonds (refunding)	5/2015	7/2026	2.0-5.0 %	580,000
Serial bonds	9/2019	12/2038	2.0-2.25%	26,180,000
Serial bonds	7/2020	1/2036	2.00%	21,500,000
				<u>\$ 52,025,000</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,240,000	\$ 1,112,319	\$ 5,352,319
2025	4,325,000	989,725	5,314,725
2026	4,450,000	861,719	5,311,719
2027	3,235,000	761,369	3,996,369
2028	3,155,000	695,219	3,850,219
2029 - 2033	16,650,000	2,497,544	19,147,544
2034 - 2038	14,130,000	834,609	14,964,609
2039	<u>1,840,000</u>	<u>20,700</u>	<u>1,860,700</u>
Total	<u>\$ 52,025,000</u>	<u>\$ 7,773,204</u>	<u>\$ 59,798,204</u>

C. Amortization of Deferred Amounts

In the district-wide statements, the District is amortizing bond premiums as a component of interest expense on a weighted average basis as follows:

<u>Year Ending June 30,</u>	<u>Amortization of Premium</u>
2024	\$ (175,239)
2025	(170,418)
2026	(165,562)
2027	(52,016)
2028	(46,915)
2029 - 2033	(154,604)
2034 - 2036	<u>(25,668)</u>
Total	<u>\$ (790,422)</u>

D. Lease Liabilities

Lease liabilities are comprised of the following:

<u>Description</u>	<u>Commencement Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2023</u>
Computer equipment	10/23/2020	10/22/2025	1.080%	\$ 229,477
Computer equipment	4/9/2021	4/8/2026	2.240%	2,433,570
Canon copier machines	7/1/2022	6/30/2026	2.275%	297,295
Canon IMC print shop	9/1/2022	8/31/2026	2.275%	<u>211,523</u>
				<u>\$ 3,171,865</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

The following is a summary of debt service requirements for lease liabilities:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,134,950	\$ 57,470	\$ 1,192,420
2025	1,153,529	32,980	1,186,509
2026	871,998	8,728	880,726
2027	<u>11,388</u>	<u>32</u>	<u>11,420</u>
Total	<u>\$ 3,171,865</u>	<u>\$ 99,210</u>	<u>\$ 3,271,075</u>

There were no variable payments or other payments made for leases included above.

E. Interest Expense

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

Interest paid	\$ 1,335,653
Less interest accrued in the prior year	(309,024)
Plus interest accrued in the current year	260,230
Less amortization of deferred amounts	<u>(179,978)</u>
Total interest expense on long-term debt	<u>\$ 1,106,881</u>

F. Library Debt

In 2013, the District advance refunded \$8,035,000 of serial bonds on behalf of the Library. The bonds were used for reconstruction of the Library building. Although the bond issue is an obligation of the District, the Library Board has committed to raise funds through its budget and tax levy sufficient enough to transfer to the District for the ensuing debt service payments. In the year ended June 30, 2023, the Library paid \$930,000 towards the current debt service payments.

14. PENSION PLANS – NEW YORK STATE

A. General Information

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer, defined benefit, public employee retirement systems. The systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

B. Provisions and Administration

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the TRS may be found on the TRS website at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Employees' Retirement System

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12244.

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 9.80% of covered payroll for the TRS' fiscal year ended June 30, 2022. The District's average contribution rate was 11.02% of covered payroll for the ERS' fiscal year ended March 31, 2023.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2023 was \$11,844,824 for TRS at the contribution rate of 10.29% and \$2,681,397 for ERS at an average contribution rate of 11.05%.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Assets/(Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of June 30, 2022, for TRS and March 31, 2023 for ERS. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2022	March 31, 2023
District's proportionate share of the net pension liability	\$ (11,950,526)	\$ (14,605,089)
District's portion of the Plan's total pension liability	0.622783%	0.0681079%
Change in proportion since the prior measurement date	(0.000222)	(0.0000600)

For the year ended June 30, 2023, the District recognized a pension expense of \$15,485,697 for TRS and \$5,641,070 for ERS. At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 12,522,639	\$ 1,555,556	\$ 239,468	\$ 410,166
Changes of assumptions	23,181,999	7,093,173	4,814,010	78,393
Net difference between projected and actual earnings on pension plan investments	15,441,213			85,804
Changes in proportion and differences between the District's contributions and proportionate share of contributions	681,093	1,114,549	12,499	7,020
District contributions subsequent to the measurement date	<u>11,844,824</u>	<u>879,767</u>		
Total	<u>\$ 63,671,768</u>	<u>\$ 10,643,045</u>	<u>\$ 5,065,977</u>	<u>\$ 581,383</u>

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Year Ending June 30,	TRS	ERS
2024	\$ 9,161,908	\$ 2,353,402
2025	4,842,679	(423,490)
2026	(1,798,199)	3,225,309
2027	30,459,244	4,026,674
2028	3,911,971	
Thereafter	183,364	
	\$ 46,760,967	\$ 9,181,895

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2022	March 31, 2023
Actuarial valuation date	June 30, 2021	April 1, 2022
Inflation	2.40%	2.90%
Salary increases	1.95-5.18%	4.40%
Investment rate of return (net of investment expense, including inflation)	6.95%	5.90%
Cost of living adjustments	1.30%	150.00%

For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021 for June 30, 2022 and MP-2020 for June 30, 2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2020, used the same assumptions for the measurement of total pension liability.

For TRS, the June 30, 2022 demographic actuarial assumptions and the salary scale were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	TRS		ERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		June 30, 2022		March 31, 2023
Asset class				
Domestic equity	33.0%	6.50%	32.0%	4.30%
International equity	16.0%	7.20%	15.0%	6.85%
Global equity	4.0%	6.90%		
Real estate equity	11.0%	6.20%	9.0%	4.60%
Private equity	8.0%	9.90%	10.0%	7.50%
Alternatives investments			10.0%	5.38-5.84%
Domestic fixed income	16.0%	1.10%		
Global bonds	2.0%	0.60%		
High-yield bonds	1.0%	3.30%		
Fixed income			23.0%	1.50%
Private debt	2.0%	5.30%		
Real estate debt	6.0%	2.40%		
Cash equivalents	1.0%	(0.30)%		
Cash			1.0%	0.00%
	100.0%		100.0%	

Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.5% for ERS.

Discount Rate

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (5.95% for TRS and 4.90% for ERS) or 1 percentage point higher (7.95% for TRS and 6.90% for ERS) than the current rate:

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
TRS			
District's proportionate share of the net pension asset (liability)	<u>\$ (110,189,454)</u>	<u>\$ (11,950,526)</u>	<u>\$ 70,667,768</u>
	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
District's proportionate share of the net pension asset (liability)	<u>\$ (35,294,237)</u>	<u>\$ (14,605,089)</u>	<u>\$ 2,683,100</u>

Pension Plan Fiduciary Net Position

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

	TRS	ERS
	<i>(Dollars in Thousands)</i>	
Measurement date	June 30, 2022	March 31, 2023
Employers' total pension liability	\$ (133,883,474)	\$ (232,627,259)
Plan fiduciary net position	<u>131,964,582</u>	<u>211,183,223</u>
Employers' net pension liability	<u>\$ (1,918,892)</u>	<u>\$ (21,444,036)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	98.57%	90.78%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023, are paid to the system in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023, represent employer and employee contributions for the fiscal year ended June 30, 2023, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2023 amounted to \$11,844,824 of employer contributions and \$1,203,253 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2023, represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$879,767 of employer contributions. Employee contributions are remitted monthly.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on contractual agreements. Contributions made by the District and employees for the year ended June 30, 2023, totaled \$35,000 and \$6,889,730, respectively.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this plan. The amount deferred by eligible employees for the year ended June 30, 2023, totaled \$1,437,265.

16. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District provides OPEB for eligible retired employees of the District. The benefits provided to employees upon retirement are based on provisions in the various contracts that the District has in place with different classifications of employees. The plan is a single-employer defined benefit OPEB plan administered through the New York State Health Insurance Program – Empire Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided – The District provides healthcare benefits and Medicare Part B coverage for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,139
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>885</u>
	<u><u>2,024</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$403,178,352 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability, as of the measurement date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inflation	2.60%
Salary increases	2.40% average, including inflation
Discount rate	3.65%
Healthcare cost trend rates	6.40% decreasing to an ultimate rate of 3.80% by 2073
Retirees' share of benefit-related costs	22.00% Superintendent 0.00% Administrators - first eligible 10.00% Administrators post-eligible and all other employees

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching Positions, both generationally projected using the MP 2021 Ultimate Scale.

The actuarial assumptions used in the June 30, 2023 measurement date valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C. Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 374,380,365</u>
Changes for the year	
Service cost	10,959,616
Interest on total OPEB liability	13,436,791
Changes of benefit terms	-
Differences between expected and actual experience	(15,638,073)
Changes in assumptions or other inputs	31,680,099
Benefit payments	<u>(11,640,446)</u>
	<u>28,797,987</u>
Balance at June 30, 2023	<u><u>\$ 403,178,352</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

OPEB	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability	<u>\$ (468,448,751)</u>	<u>\$ (403,178,352)</u>	<u>\$ (350,372,319)</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.40%) or 1 percentage point higher (7.40%) than the current healthcare cost trend rate:

OPEB	1% Decrease 5.40% decreasing to 2.80%	Healthcare Cost Trend Rates 6.40% decreasing to 3.80%	1% Increase 7.40% decreasing to 4.80%
Total OPEB liability	<u>\$ (341,515,061)</u>	<u>\$ (403,178,352)</u>	<u>\$ (481,837,623)</u>

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$19,404,651. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,091,971	\$ 48,627,688
Changes of assumptions or other inputs	<u>96,831,019</u>	<u>82,513,339</u>
Total	<u>\$ 104,922,990</u>	<u>\$ 131,141,027</u>

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

Year Ending June 30,	Amount
2024	\$ (4,991,756)
2025	(4,913,762)
2026	(5,513,929)
2027	(10,634,991)
2028	(426,585)
Thereafter	<u>262,986</u>
	<u>\$ (26,218,037)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

17. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources, at June 30, 2023, consists of that portion of the amount due from New York State, including DASNY aid, which is unavailable. Unavailable revenues, in the general fund at June 30, 2023, total \$100,000. Also included in the governmental fund financial statements as deferred inflows of resources, at June 30, 2023, is the amount due from New York State for improvements to educational technology and infrastructure to improve learning and opportunities for students throughout the state (Smart Schools Bond Act). Unavailable revenues, in the capital projects fund at June 30, 2023, total \$169,592.

18. RISK MANAGEMENT

A. General Information

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage as compared to the prior year, and settled-claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

B. Risk Retention

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, as provided by the third party administrator at June 30, 2022, did not include an amount for claims which were incurred on or before year-end but not reported (IBNR). The District secured the services of an actuary to calculate the value of the District's outstanding losses liability as of June 30, 2023. Based on the information obtained from the third party administrator for estimated outstanding claims losses by claim period year and adjusted by an applied present value factor in the range of .87 to .93, the present value of the workers' compensation liability was determined as of June 30, 2023. Claims activity is summarized below:

	<u>2022</u>	<u>2023</u>
Unpaid claims at beginning of year	\$ 2,861,480	\$ 3,975,474
Incurred claims and claim adjustment expenses	2,200,924	1,010,625
Claim payments	<u>(1,086,930)</u>	<u>(922,047)</u>
Unpaid claims at year end	<u>\$ 3,975,474</u>	<u>\$ 4,064,052</u>

At June 30, 2023, the District had \$3,228,118 of funds in the workers' compensation reserve.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

19. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2023 restricted fund balances, to fund the budget for the year ending June 30, 2024:

Workers' Compensation	\$ 900,000
Unemployment Insurance	50,000
Retirement Contribution	
Teachers' Retirement System	1,570,000
Employees' Retirement System	3,215,023
Employee Benefit Accrued Liability	<u>150,000</u>
	<u>\$ 5,885,023</u>

20. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$2,225,000 has been approved to reduce taxes for the year ending June 30, 2024.

21. RESTRICTED FOR CAPITAL RESERVE

The following is a summary of the District's restricted capital reserve activity:

Date Created	May 2014	May 2018	June 2020	
Number of Years to Fund	10	10	10	
Maximum Funding	<u>\$ 20,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 20,000,000</u>	Total
General Fund				
Funding Provided	\$ 20,000,000	\$ 2,000,000	\$ 10,025,000	\$ 32,025,000
Transfer of reserves			663,984	663,984
Interest Earnings	147,416	25,813	174,666	347,895
Use of Reserve	<u>(20,135,012)</u>	<u>(2,000,000)</u>	<u>(2,872,325)</u>	<u>(25,007,337)</u>
Total General Fund	<u>12,404</u>	<u>25,813</u>	<u>7,991,325</u>	<u>8,029,542</u>
Capital Projects Fund				
Funding Provided	20,135,012	2,000,000	2,872,325	25,007,337
Transfer of reserves			(663,984)	(663,984)
Use of Reserve	<u>(20,135,012)</u>	<u>(2,000,000)</u>	<u>(2,205,000)</u>	<u>(24,340,012)</u>
Total Capital Projects Fund	<u>-</u>	<u>-</u>	<u>3,341</u>	<u>3,341</u>
Balance as of June 30, 2023	<u>\$ 12,404</u>	<u>\$ 25,813</u>	<u>\$ 7,994,666</u>	<u>\$ 8,032,883</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

22. TAX ABATEMENTS

The Nassau County Industrial Development Agency and the Town of Oyster Bay, enter into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced \$9,427,003. The District received payment in lieu of taxes (PILOT) payments totaling \$5,487,244.

23. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2023, the District encumbered the following amounts:

Unspent Debt Proceeds	
Capital Projects Fund	<u>\$ 1,291,777</u>
Assigned: Unappropriated Fund Balance:	
General Fund	
General support	216,804
Instruction	<u>145,576</u>
	362,380
Capital Projects Fund	
Capital Projects	<u>1,499,317</u>
	<u><u>\$ 3,153,474</u></u>

B. Grants

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

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. Management believes that the outcome of any matters will not have a material effect on these financial statements.

24. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements, except for the following:

Issuance of Tax Anticipation Notes

On August 30, 2023, the District issued tax anticipation notes in the amount of \$26,000,000, which are due June 25, 2024 and bear interest at a stated rate of 5.00%. The District received a premium of \$301,694 with the borrowings, to yield an effective interest rate of 3.584%.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 213,200,492	\$ 207,072,380	\$ 207,097,252	\$ 24,872
Other tax items	9,745,061	15,873,173	16,621,001	747,828
Charges for services	867,937	867,937	946,742	78,805
Use of money and property	125,000	125,000	1,943,733	1,818,733
Sale of property and compensation for loss	82,333	133,029	265,260	132,231
Miscellaneous	961,289	904,462	1,181,101	276,639
Total Local Sources	224,982,112	224,975,981	228,055,089	3,079,108
State Sources	25,539,629	25,658,758	26,747,821	1,089,063
Medicaid Reimbursement	101,327	60,827	113,266	52,439
Federal Sources	17,802		373,012	373,012
Total Revenues	250,640,870	250,695,566	255,289,188	4,593,622
OTHER SOURCES				
Operating transfers in	940,000	940,000	1,169,404	229,404
Total Revenues and Other Sources	251,580,870	251,635,566	256,458,592	\$ 4,823,026
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	1,700,000	1,700,000		
Prior Year's Encumbrances	872,493	872,493		
Appropriated Reserves	4,550,400	5,167,993		
Total Appropriated Fund Balance	7,122,893	7,740,486		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	\$ 258,703,763	\$ 259,376,052		

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.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 182,471	\$ 193,145	\$ 178,691	\$	\$ 14,454
Central administration	386,204	390,754	385,302		5,452
Finance	1,323,019	1,365,019	1,234,309	25,067	105,643
Staff	1,327,444	1,444,521	1,215,160		229,361
Central services	25,929,865	23,909,527	21,734,542	191,737	1,983,248
Special items	2,344,299	2,353,299	2,348,685		4,614
Total General Support	31,493,302	29,656,265	27,096,689	216,804	2,342,772
Instruction					
Administration & improvement	10,269,381	10,309,279	10,108,396	749	200,134
Teaching - regular school	82,924,197	82,083,597	81,608,080	136,511	339,006
Programs for students with disabilities	30,636,921	30,024,185	29,381,485		642,700
Occupational education	435,000	557,000	555,930		1,070
Teaching - special schools	675,084	923,960	923,224		736
Instructional media	6,738,508	5,908,268	5,656,015		252,253
Pupil services	13,091,264	13,708,964	12,897,410	8,316	803,238
Total Instruction	144,770,355	143,515,253	141,130,540	145,576	2,239,137
Pupil Transportation	11,763,779	12,688,779	12,514,318		174,461
Community Services	315,877	278,377	249,131		29,246
Employee Benefits	60,799,518	62,172,111	61,768,233		403,878
Debt Service					
Principal	-	1,201,070	1,200,493		577
Interest	720,000	1,023,265	1,023,054		211
Total Debt Service	720,000	2,224,335	2,223,547	-	788
Total Expenditures	249,862,831	250,535,120	244,982,458	362,380	5,190,282
OTHER FINANCING USES					
Operating Transfers Out	8,840,932	8,840,932	8,796,189		44,743
Total Expenditures and Other Financing Uses	\$ 258,703,763	\$ 259,376,052	253,778,647	\$ 362,380	\$ 5,235,025
Net Change in Fund Balance			2,679,945		
Fund Balance - Beginning of Year			46,299,037		
Fund Balance - End of Year			\$ 48,978,982		

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.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)
Last Nine Fiscal Years

Teachers' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.622783%	0.623005%	0.624509%	0.630640%	0.637409%	0.642724%	0.646732%	0.656143%	0.663898%
District's proportionate share of the net pension asset/(liability)	\$ (11,950,526)	\$ 107,960,814	\$ (17,256,861)	\$ 16,384,076	\$ 11,526,035	\$ 4,885,341	\$ (6,926,774)	\$ 68,152,323	\$ 73,954,151
District's covered payroll	\$ 118,113,622	\$ 105,743,945	\$ 105,992,404	\$ 106,308,429	\$ 104,829,796	\$ 102,684,340	\$ 99,797,318	\$ 98,988,756	\$ 98,068,141
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	10.12 %	102.10 %	16.28 %	15.41 %	10.99 %	4.76 %	6.94 %	68.85 %	75.41 %
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0681079%	0.0681679%	0.0609742%	0.0601077%	0.0604660%	0.0624631%	0.0619990%	0.0622257%	0.0608556%
District's proportionate share of the net pension asset/(liability)	\$ (14,605,089)	\$ 5,572,443	\$ (60,714)	\$ (15,916,856)	\$ (4,284,202)	\$ (2,015,963)	\$ (5,825,569)	\$ (9,987,393)	\$ (2,055,850)
District's covered payroll	\$ 23,740,518	\$ 22,812,374	\$ 20,952,844	\$ 20,056,573	\$ 20,063,465	\$ 19,472,315	\$ 19,756,679	\$ 18,893,119	\$ 18,097,266
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	61.52 %	24.43 %	0.29 %	79.36 %	21.35 %	10.35 %	29.49 %	52.86 %	11.36 %
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of District Pension Contributions
Last Ten Fiscal Years

Teachers' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 11,844,824	\$ 10,811,431	\$ 10,077,398	\$ 9,390,927	\$ 11,179,049	\$ 10,210,954	\$ 11,934,097	\$ 13,217,181	\$ 17,352,729	\$ 15,936,073
Contributions in relation to the contractually required contribution	<u>11,844,824</u>	<u>10,811,431</u>	<u>10,077,398</u>	<u>9,390,927</u>	<u>11,179,049</u>	<u>10,210,954</u>	<u>11,934,097</u>	<u>13,217,181</u>	<u>17,352,729</u>	<u>15,936,073</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 118,113,622	\$ 112,984,876	\$ 105,743,945	\$ 105,992,404	\$ 106,308,429	\$ 104,829,796	\$ 102,684,340	\$ 99,797,318	\$ 98,988,756	\$ 98,068,141
Contributions as a percentage of covered payroll	10%	10%	10%	9%	11%	10%	12%	13%	18%	16%

Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,681,397	\$ 3,353,497	\$ 3,075,985	\$ 2,804,507	\$ 2,814,500	\$ 2,953,311	\$ 2,743,880	\$ 3,061,616	\$ 3,863,204	\$ 3,635,039
Contributions in relation to the contractually required contribution	<u>2,681,397</u>	<u>3,353,497</u>	<u>3,075,985</u>	<u>2,804,507</u>	<u>2,814,500</u>	<u>2,953,311</u>	<u>2,743,880</u>	<u>3,061,616</u>	<u>3,863,204</u>	<u>3,635,039</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 24,257,332	\$ 23,377,152	\$ 22,100,180	\$ 20,955,369	\$ 20,026,091	\$ 19,647,613	\$ 19,180,199	\$ 18,952,012	\$ 18,512,867	\$ 17,480,011
Contributions as a percentage of covered payroll	11%	14%	14%	13%	14%	15%	14%	16%	21%	21%

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 10,959,616	\$ 18,867,464	\$ 14,228,085	\$ 12,212,805	\$ 15,914,697	\$ 12,696,778
Interest on total OPEB liability	13,436,791	10,021,058	9,455,937	12,073,435	10,991,984	10,505,393
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(15,638,073)	-	(63,063,280)	-	27,358,576	(1,481,942)
Changes of assumptions or other inputs	31,680,099	(94,749,217)	80,210,319	66,354,513	(61,967,401)	-
Benefit payments	<u>(11,640,446)</u>	<u>(9,607,419)</u>	<u>(9,199,651)</u>	<u>(10,244,232)</u>	<u>(9,851,342)</u>	<u>(7,602,239)</u>
Net change in total OPEB liability	28,797,987	(75,468,114)	31,631,410	80,396,521	(17,553,486)	14,117,990
Total OPEB liability, beginning	<u>374,380,365</u>	<u>449,848,479</u>	<u>418,217,069</u>	<u>337,820,548</u>	<u>355,374,034</u>	<u>341,256,044</u>
Total OPEB liability, ending	<u><u>\$ 403,178,352</u></u>	<u><u>\$ 374,380,365</u></u>	<u><u>\$ 449,848,479</u></u>	<u><u>\$ 418,217,069</u></u>	<u><u>\$ 337,820,548</u></u>	<u><u>\$ 355,374,034</u></u>
Covered employee payroll	\$ 103,462,367	\$ 106,294,438	\$ 106,294,438	\$ 113,117,179	\$ 113,117,179	\$ 127,500,612
Total OPEB liability as a percentage of covered employee payroll	389.69%	352.21%	423.21%	369.72%	298.65%	278.72%
Discount rate	3.65%	3.54%	2.16%	2.21%	3.50%	4.10%
Healthcare trend rates	6.40% to 3.80% by 2073	5.30% to 4.10% over 55 years	5.30% to 4.10% over 55 years	6.10% to 4.10% over 57 years	6.10% to 4.10% over 57 years	7.50% to 4.50% in 2022

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

Note to Required Supplementary Information

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

SYOSSET CENTRAL SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 257,831,270
Additions:	
Prior year's encumbrances	<u>872,493</u>
Original Budget	258,703,763
Budget revision	<u>672,289</u>
Final Budget	<u><u>\$ 259,376,052</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-2024 voter-approved expenditure budget	<u><u>\$ 274,562,660</u></u>
Maximum allowed (4% of 2023-2024 budget)	<u><u>\$ 10,982,506</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 2,587,380
Unassigned fund balance	<u>10,982,506</u>
	\$ 13,569,886
Less:	
Appropriated fund balance	2,225,000
Encumbrances	<u>362,380</u>
Total adjustments	<u>2,587,380</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 10,982,506</u></u>
Actual Percentage	4.00%

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
For the Year Ended June 30, 2023

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund
	June 30, 2022	June 30, 2023	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	Balance June 30, 2023
2016-17 Capital Reserve 2014 - Phase I											
South Grove Annex V/D/G	\$ 406,850	\$ 406,850	\$ 356,516	\$ 34,215	\$ 390,731	\$ 16,119	\$	\$	\$ 406,850	\$ 406,850	\$ 16,119
AP Willits V/D/G	555,550	555,550	491,587	42,730	534,317	21,233			555,550	555,550	21,233
Berry Hill V/D/G	509,085	525,885	458,125	24,877	483,002	42,883			525,885	525,885	42,883
South Woods V/D/G	1,185,083	1,179,083	955,648	96,015	1,051,663	127,420			1,179,083	1,179,083	127,420
Village V/D/G	605,448	589,448	508,950	55,793	564,743	24,705			589,448	589,448	24,705
High School V/D/G	1,919,326	1,925,326	1,760,852	93,270	1,854,122	71,204			1,925,326	1,925,326	71,204
South Grove V/D/G	577,819	577,819	520,257	40,017	560,274	17,545			577,819	577,819	17,545
Baylis V/D/G	714,900	714,900	636,985	48,675	685,660	29,240			714,900	714,900	29,240
W Whitman V/D/G	854,912	878,712	765,058	61,029	826,087	52,625			878,712	878,712	52,625
Robins Lane V/D/G	542,045	542,045	457,802	50,147	507,949	34,096			542,045	542,045	34,096
HBT V/D/G	1,406,021	1,406,821	1,155,124	150,094	1,305,218	101,603			1,406,821	1,406,821	101,603
District Wide Fire Alarms	2,065,722	2,235,466	1,958,163	8,775	1,966,938	268,528			2,235,466	2,235,466	268,528
Baylis Fuel Tanks	165,800	151,492	151,492		151,492	-			151,492	151,492	-
Berry Hill Fuel Tanks	96,469	96,469	96,469		96,469	-			96,469	96,469	-
South Grove Fuel Tanks	105,766	105,766	105,766		105,766	-			105,766	105,766	-
SG Annex Fuel Tanks	151,400	99,345	34,395	64,950	99,345	-			99,345	99,345	-
Village Fuel Tanks	148,454	95,773	30,814	64,959	95,773	-			95,773	95,773	-
Whitman Fuel Tanks	138,250	124,295	124,294		124,294	1			124,295	124,295	1
AP Willits Fuel Tanks	133,554	91,870	35,171	56,699	91,870	-			91,870	91,870	-
S Woods Fuel Tanks	106,864	107,077	107,077		107,077	-			107,077	107,077	-
HBT Fuel Tanks	107,315	107,315	107,315		107,315	-			107,315	107,315	-
High School Fuel Tanks	124,202	124,202	124,202		124,202	-			124,202	124,202	-
High School Temporary Vestibule	16,227	16,227	16,227		16,227	-			16,227	16,227	-
Unallocated	33,449	12,775				12,775			12,775	12,775	
	12,670,511	12,670,511	10,958,289	892,245	11,850,534	819,977	-	-	12,670,511	12,670,511	819,977
2017-18 Capital Reserve 2014 Phase II/Bond											
HBT Roof	3,299,551	3,299,551	3,299,551		3,299,551	-	2,441,668		857,883	3,299,551	-
Robins Lane Roof	1,633,556	1,633,556	1,633,556		1,633,556	-	1,208,831		424,725	1,633,556	-
South Grove Corridor Addition	723,890	723,890	723,890		723,890	-	535,679		188,211	723,890	-
HS Site Work	9,149,504	9,149,504	9,149,504		9,149,504	-	6,770,633		2,378,871	9,149,504	-
HS Science Research Classroom	344,806	344,806	344,806		344,806	-	95,135	249,671		344,806	-
HS Fitness Center	5,093,018	5,096,018	4,968,704	45,324	5,014,028	81,990	3,771,053		1,324,965	5,096,018	81,990
Walt Whitman Upgrades	926,356	926,356	926,356		926,356	-	676,356	250,000		926,356	-
Baylis Parking	135,959	135,959	135,959		135,959	-	100,610		35,349	135,959	-
Berry Hill Parking	474,408	474,408	474,408		474,408	-	351,062		123,346	474,408	-
Bathrooms - Baylis	302,570	250,478	250,478		250,478	-	185,353		65,125	250,478	-
Bathrooms - Berry Hill	291,950	270,599	270,599		270,599	-	200,243		70,356	270,599	-
Bathrooms - Robins Lane	252,914	252,914	252,914		252,914	-	187,156		65,758	252,914	-
Bathrooms - South Grove	304,840	300,972	300,972		300,972	-	222,720		78,252	300,972	-
Bathrooms - SG Annex	135,610	117,090	117,090		117,090	-	86,647		30,443	117,090	-
Bathrooms - Village	244,274	244,274	244,274		244,274	-	180,763		63,511	244,274	-
Bathrooms - W Whitman	256,092	256,092	256,092		256,092	-	189,508		66,584	256,092	-
Bathrooms - AP Willits	310,430	292,546	292,546		292,546	-	216,484		76,062	292,546	-
Bathrooms - South Woods	227,510	193,260	193,260		193,260	-	143,012		50,248	193,260	-
Bathrooms - HBT	591,875	525,712	525,712		525,712	-	389,027		136,685	525,712	-
Bathrooms - High School	928,379	928,379	928,379		928,379	-	687,000		241,379	928,379	-
District Wide Fire Alarms - Phase II	1,438,800	1,438,800	1,430,641		1,430,641	8,159	1,064,712		374,088	1,438,800	8,159
HS Vestibule Project - Phase II	1,322,208	1,322,208	1,322,208		1,322,208	-	978,434		343,774	1,322,208	-

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2023

PROJECT TITLE	Expenditures		Expenditures				Methods of Financing				Fund
	Budget June 30, 2022	Budget June 30, 2023	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance June 30, 2023
2017-18 Capital Reserve 2014 Phase II/Bond (Continued)											
HVAC - Baylis	\$ 594,475	\$ 594,475	\$ 594,475	\$	\$ 594,475	\$ -	\$ 439,912	\$	\$ 154,563	\$ 594,475	\$ -
HVAC - Berry Hill	602,538	602,538	602,538		602,538	-	445,878		156,660	602,538	-
HVAC - Robins Lane	553,457	553,457	553,457		553,457	-	409,558		143,899	553,457	-
HVAC - South Grove	445,661	445,661	445,661		445,661	-	329,789		115,872	445,661	-
HVAC - SG Annex	255,798	255,798	255,798		255,798	-	189,291		66,507	255,798	-
HVAC - Village	560,595	560,595	560,595		560,595	-	414,840		145,755	560,595	-
HVAC - W Whitman	518,154	518,154	518,154		518,154	-	383,434		134,720	518,154	-
HVAC - AP Willits	532,533	532,533	532,533		532,533	-	394,074		138,459	532,533	-
HVAC - South Woods	643,971	643,971	643,971		643,971	-	476,539		167,432	643,971	-
HVAC - HBT	3,524,641	2,216,690	2,216,690	(113,436)	2,103,254	113,436	1,640,351		576,339	2,216,690	113,436
HVAC - South Woods	2,331,000	2,243,472	2,238,978	(42,503)	2,196,475	46,997	1,660,169		583,303	2,243,472	46,997
HVAC - High School	6,176,544	5,876,402	5,879,691	(3,289)	5,876,402	-	4,348,538		1,527,864	5,876,402	-
High School Storage Conversion		277,200		8,634	8,634	268,566	205,128		72,072	277,200	268,566
Village Partial Roof		1,491,352		27,939	27,939	1,463,413	1,103,601		387,751	1,491,352	1,463,413
Unallocated	931,804	1,320,001				1,320,001	1,221,812		98,189	1,320,001	1,320,001
	46,059,671	46,309,671	43,084,440	(77,331)	43,007,109	3,302,562	34,345,000	499,671	11,465,000	46,309,671	3,302,562
2018-19											
HB Thompson Floor	288,128	288,128	288,128		288,128	-			288,128	288,128	-
HS Lockers	160,075	160,075	160,075		160,075	-			160,075	160,075	-
HS Gym Ventilation	799,620	799,620	799,620		799,620	-			799,620	799,620	-
SG Emergency Reconstruction	235,083	235,083	235,083		235,083	-			235,083	235,083	-
Unallocated	147,114	147,114	-			147,114			147,114	147,114	147,114
	1,630,020	1,630,020	1,482,906		1,482,906	147,114	-	-	1,630,020	1,630,020	147,114
2019-20											
South Grove Library	56,663	56,663	56,663		56,663	-			56,663	56,663	-
W Whitman Library	56,471	56,471	56,471		56,471	-			56,471	56,471	-
HS Guard Booth	116,513	116,513	116,513		116,513	-			116,513	116,513	-
HS Pool	114,816	114,816	114,816		114,816	-			114,816	114,816	-
HS Vestibule Project - Ph II	905,620	905,620	905,620		905,620	-			905,620	905,620	-
SW Partial Roof Replacement	311,232	311,232	311,232		311,232	-			311,232	311,232	-
SW Partial Floor Replacement	637,881	534,881	33,795	495,815	529,610	5,271			534,881	534,881	5,271
Unallocated	804	103,804				103,804			103,804	103,804	103,804
	2,200,000	2,200,000	1,595,110	495,815	2,090,925	109,075	-	-	2,200,000	2,200,000	109,075
Energy Performance Contract											
South Grove Annex	1,342,134	1,342,134	742,855	482,591	1,225,446	116,688	1,342,134			1,342,134	116,688
AP Willits	1,479,076	1,479,076	1,161,760	254,416	1,416,176	62,900	1,479,076			1,479,076	62,900
Berry Hill	875,046	875,046	827,000	19,786	846,786	28,260	875,046			875,046	28,260
South Woods MS	1,691,954	1,691,954	1,380,092	178,402	1,558,494	133,460	1,687,706		4,248	1,691,954	133,460
Village	1,390,899	1,390,899	1,288,156	40,152	1,328,308	62,591	1,390,899			1,390,899	62,591
Syosset HS	4,463,779	4,733,640	2,523,984	1,747,132	4,271,116	462,524	4,733,640			4,733,640	462,524
South Grove Elementary	641,217	641,217	607,693	12,642	620,335	20,882	641,217			641,217	20,882
Baylis	2,305,535	2,533,893	2,189,269	254,638	2,443,907	89,986	2,533,893			2,533,893	89,986
Walt Whitman	1,164,153	1,164,153	1,105,537	21,391	1,126,928	37,225	1,164,153			1,164,153	37,225
Robbins Lane	3,091,577	3,091,577	2,890,646	73,203	2,963,849	127,728	3,091,577			3,091,577	127,728
HBT MS	1,543,878	1,045,659	986,539	23,778	1,010,317	35,342	1,045,659			1,045,659	35,342
	19,989,248	19,989,248	15,703,531	3,108,131	18,811,662	1,177,586	19,985,000	-	4,248	19,989,248	1,177,586

For the Year Ended June 30, 2023

[illegible]

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2023

Capital assets, net	<u>\$ 157,933,292</u>
Deduct:	
Capital related liabilities:	
Accounts payable	1,493,880
Short-term portion of bonds payable	4,240,000
Long-term portion of bonds payable	47,785,000
Premium on bonds payable	790,422
Less: Unspent debt proceeds	(4,475,900)
Short-term portion of lease liabilities	1,134,950
Long-term portion of lease liabilities	<u>2,036,915</u>
	<u>53,005,267</u>
Net Investment in Capital Assets	<u><u>\$ 104,928,025</u></u>



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

To the Board of Education
Syosset Central School District
Syosset, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Syosset Central School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 27, 2023. That report included a qualified opinion on the extraclassroom activity funds based on a scope limitation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cullen & Danowski, LLP

October 27, 2023

