



FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS
June 30, 2022

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, 2022, 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 Activities Fund	<i>Qualified</i>
Scholarships Fund	<i>Unmodified</i>
Fiduciary Fund	<i>Unmodified</i>

Qualified Opinion

In our opinion, except for the effect of any adjustments that might have been necessary had we been able to perform adequate auditing procedures in regard to the cash receipts referred to in the "Matter Giving Rise to the Qualified Opinion on the Extracurricular Activities Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extracurricular activities fund of the Syosset Central School District, as of June 30, 2022, 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 activities fund, and the fiduciary fund of the Syosset Central School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United State 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 Activities Fund

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

Change in Accounting Principle

As described in Note 2 to the financial statements, "Change in Accounting Principle," the District has adopted the provisions of GASB Statement No. 87, *Leases*, as of June 30, 2022. Our opinion is not modified with respect to this matter.

Management's Responsibility 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 Responsibility 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 19 and 58 through 62, 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 63 through 67 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary 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 28, 2022 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 28, 2022

SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Syosset Central School District's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022 in comparison with the year ended June 30, 2021, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The District's total net position was a deficit of \$227,521,959 in the district-wide financial statements at June 30, 2022, compared to a deficit of \$241,322,795 at June 30, 2021. The deficit decreased by \$13,800,836 from the prior year due to an excess of revenues over expenses 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 \$237,105,726. Of this amount, \$10,089,230 was offset by program charges for services, and operating grants and contributions. General revenues of \$240,817,332 amount to 95.98% of total revenues.
- The District's general fund fund balance, as reflected in the fund financial statements was \$46,299,037 at June 30, 2022. This balance represents a \$2,333,535 increase (5.31%) 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 \$2,857,157 due to the funding of reserves and interest allocated to the reserves, offset by the use of reserves.
 - Assigned fund balance decreased \$950,472, as the District decreased the fund balance appropriated to fund the 2023 budget, which was offset by an increase in the assignment for encumbrances.
 - Unassigned fund balance increased by \$426,850 to \$10,313,251.
- 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. \$11,465,000 of district funding was utilized, and the balance of \$34,345,000 was to be obtained through issuing debt as authorized by the voters. A total of \$43,084,440 has been expended as of June 30, 2022.
- 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 \$15,703,531 has been expended as of June 30, 2022.
- 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 \$8,500,000 through June 30, 2022. \$2,168,840 of authorized capital expenditures have been incurred through June 30, 2022.
- The District's 2022 property tax levy of \$208,289,296 was a 1.98% increase over the 2021 tax levy. The District's property tax cap was 2.31%.

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 flow 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, claims and judgments, 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 activities fund, 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 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

Certain balances at June 30, 2021, were adjusted as a result of the implementation of GASB Statement No. 87, *Leases*, which required the District to record both a capital asset and the related liability of \$4,664,084; however, these changes had no impact on total net position.

Additionally, the June 30, 2021 net investment in capital assets and unrestricted (deficit) were decreased \$1,170,220, resulting from a reclassification of the amortization on both deferred charges on advance refunding bonds and premiums on obligations. This reclassification also had no effect on total net position.

The District's total net position increased by \$13,800,836, between fiscal year 2021 and 2022. The increase is due to revenues in excess of expenses 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, 2022</u>	<u>As Restated June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets				
Current and Other Assets	\$ 88,056,886	\$ 107,470,248	\$ (19,413,362)	(18.06)%
Capital Assets, Net	155,328,446	141,095,067	14,233,379	10.09 %
Net Pension Assets - Proportionate Share	<u>113,533,257</u>	<u>-</u>	<u>113,533,257</u>	100.00 %
Total Assets	<u>356,918,589</u>	<u>248,565,315</u>	<u>108,353,274</u>	43.59 %
Deferred Outflows of Resources	<u>178,329,997</u>	<u>203,580,590</u>	<u>(25,250,593)</u>	(12.40)%
Liabilities				
Current and Other Liabilities	27,125,691	32,340,212	(5,214,521)	(16.12)%
Long-Term Liabilities	70,861,800	77,260,656	(6,398,856)	(8.28)%
Net Pension Liabilities - Proportionate Share	-	17,317,575	(17,317,575)	(100.00)%
Total OPEB Liability	<u>374,380,365</u>	<u>449,848,479</u>	<u>(75,468,114)</u>	(16.78)%
Total Liabilities	<u>472,367,856</u>	<u>576,766,922</u>	<u>(104,399,066)</u>	(18.10)%
Deferred Inflows of Resources	<u>290,402,689</u>	<u>116,701,778</u>	<u>173,700,911</u>	148.84 %
Net Position (Deficit)				
Net Investment in Capital Assets	100,784,332	91,090,502	9,693,830	10.64 %
Restricted	34,390,825	36,980,398	(2,589,573)	(7.00)%
Unrestricted (Deficit)	<u>(362,697,116)</u>	<u>(369,393,695)</u>	<u>6,696,579</u>	1.81 %
Total Net Position (Deficit)	<u><u>\$ (227,521,959)</u></u>	<u><u>\$ (241,322,795)</u></u>	<u><u>\$ 13,800,836</u></u>	5.72 %

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

The decrease in current and other assets is primarily related to the decrease in the overall cash position of the District, offset by an increase in 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.

Net pension assets – proportionate share represents the District's share of the New York State Teachers' Retirement System's and the New York State and Local Employees' Retirement System's collective net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate shares shifted from liabilities to assets. 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.

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

Total OPEB liability decreased 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, which decreased compared to the prior year mainly due to the use of 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 STAR (school tax relief) 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, 2022 and 2021 is as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 1,771,381	\$ 1,031,331	\$ 740,050	71.76 %
Operating Grants & Contributions	8,317,849	4,049,234	4,268,615	105.42 %
General Revenues				
Property Taxes & STAR	208,332,361	204,226,277	4,106,084	2.01 %
State Sources	20,895,660	17,745,953	3,149,707	17.75 %
Other	11,589,311	11,636,511	(47,200)	(0.41)%
Total Revenues	<u>250,906,562</u>	<u>238,689,306</u>	<u>12,217,256</u>	5.12 %
Expenses				
General Support	31,835,400	35,883,105	(4,047,705)	(11.28)%
Instruction	189,619,030	215,789,717	(26,170,687)	(12.13)%
Pupil Transportation	10,983,208	10,531,172	452,036	4.29 %
Community Services	294,828	118,046	176,782	149.76 %
Debt Service - Interest	1,585,752	1,726,588	(140,836)	(8.16)%
Food Service Program	2,787,508	1,770,426	1,017,082	57.45 %
Total Expenses	<u>237,105,726</u>	<u>265,819,054</u>	<u>(28,713,328)</u>	(10.80)%
Increase/(Decrease) in Net Position	<u>\$ 13,800,836</u>	<u>\$ (27,129,748)</u>	<u>\$ 40,930,584</u>	150.87 %

The District's net position increased by \$13,800,836 and decreased by \$27,129,748 for the years ended June 30, 2022 and 2021, respectively.

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

- Operating grants increased as 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.
- Real property taxes and STAR increased to fund increases in appropriations in the voter-approved 2021-2022 budget.
- The increase in state sources is chiefly due to the District receiving more in general aid.
- Charges for services increased mainly due to increased tuition revenue, as a result of the growth in enrollment, and additional extraclassroom activities revenues.

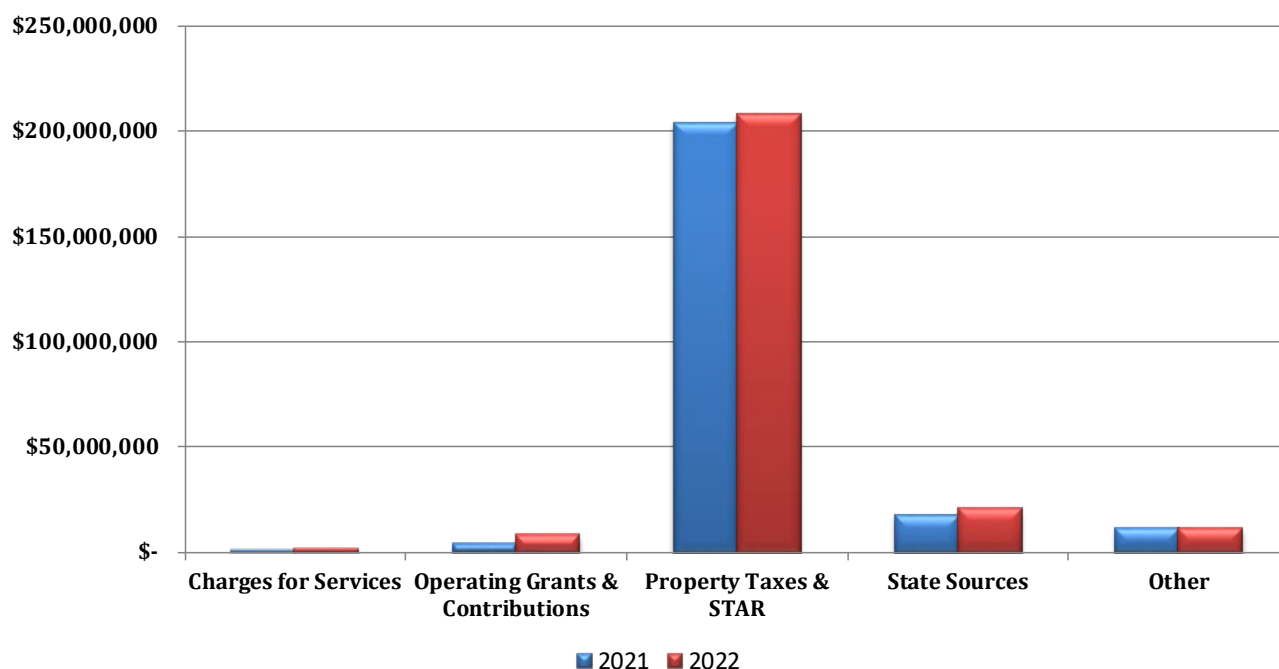
SYOSSET CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

- General support and instruction expenses decreased based on the impact of allocations of the net change in actuarially determined pension expenses for TRS and ERS, and OPEB costs.
- The food service program expenses increased due to more students receiving breakfast and lunch, as the meals were free to all students during the year.
- 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., 83.0% and 85.6% of the total for the years 2022 and 2021, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 80.0% and 81.2% of the total for the years 2022 and 2021, respectively).

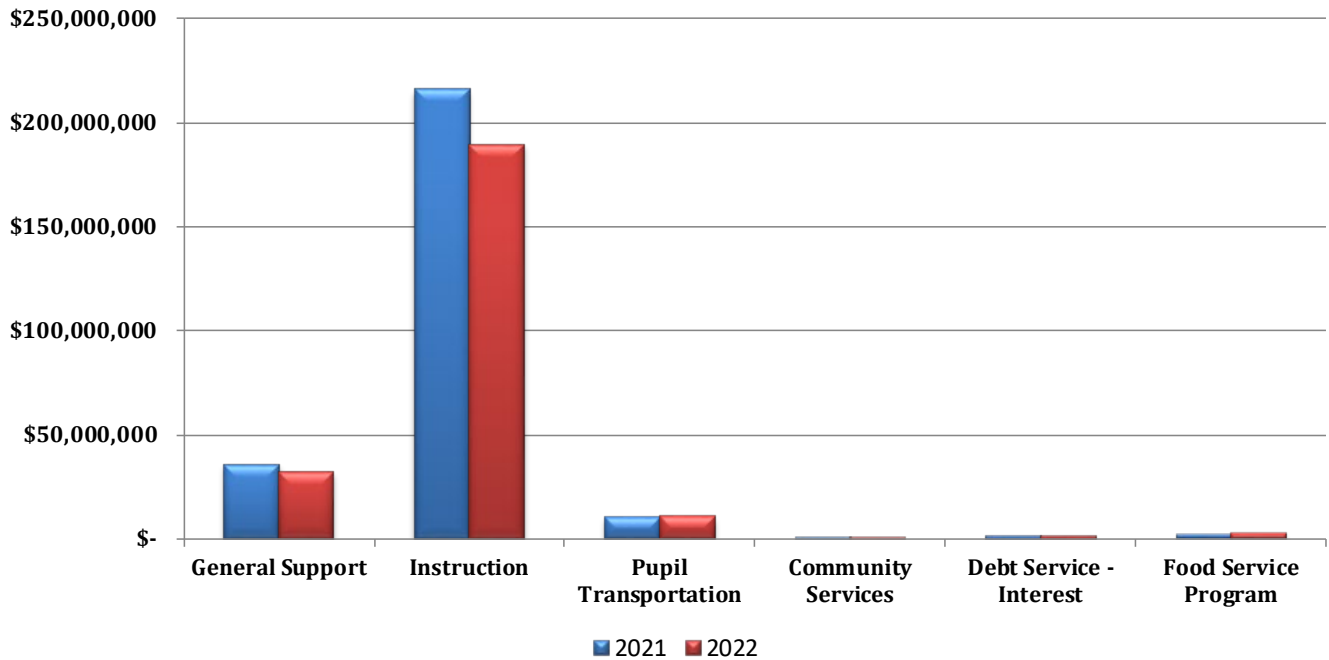
A graphic display of the distribution of revenues for the two years follows:



	Charges for Services	Operating Grants & Contributions	Property Taxes & STAR	State Sources	Other
2021	0.4%	1.7%	85.6%	7.4%	4.9%
2022	0.7%	3.3%	83.0%	8.3%	4.7%

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
2021	13.5%	81.2%	4.0%	0.0%	0.6%	0.7%
2022	13.4%	80.0%	4.6%	0.1%	0.7%	1.2%

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2022, the District's governmental funds reported a combined fund balance of \$61,240,219, which is a decrease of \$14,418,007 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 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, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Nonspendable: Prepays	\$ 3,050	\$ 3,050	\$ -	0.00 %
Restricted				
Workers' compensation	3,548,817	3,275,338	273,479	8.35 %
Unemployment insurance	721,540	735,664	(14,124)	(1.92)%
Retirement contribution				
Teachers' retirement system	7,408,443	5,817,238	1,591,205	27.35 %
Employees' retirement system	11,790,346	14,194,991	(2,404,645)	(16.94)%
Insurance	155,308	314,474	(159,166)	(50.61)%
Employee benefit accrued liability	3,277,892	3,374,308	(96,416)	(2.86)%
Capital	6,336,351	2,669,617	3,666,734	137.35 %
Repairs	171,546	171,456	90	0.05 %
Assigned:				
Appropriated fund balance	1,700,000	2,813,547	(1,113,547)	(39.58)%
Unappropriated fund balance	872,493	709,418	163,075	22.99 %
Unassigned: Fund balance	10,313,251	9,886,401	426,850	4.32 %
	<u>46,299,037</u>	<u>43,965,502</u>	<u>2,333,535</u>	5.31 %
School Food Service Fund				
Nonspendable: Inventory	74	1,293	(1,219)	(94.28)%
Assigned: Unappropriated fund balance	967,138	195,322	771,816	395.15 %
	<u>967,212</u>	<u>196,615</u>	<u>770,597</u>	391.93 %
Debt Service Fund				
Restricted: Debt	941,036	940,479	557	0.06 %
Capital Projects Fund				
Restricted:				
Capital	39,501	5,486,551	(5,447,050)	(99.28)%
Unspent bond proceeds	7,256,697	19,054,739	(11,798,042)	(61.92)%
Assigned: Unappropriated fund balance	5,352,040	5,683,758	(331,718)	(5.84)%
	<u>12,648,238</u>	<u>30,225,048</u>	<u>(17,576,810)</u>	(58.15)%
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	381,651	327,300	54,351	16.61 %
Scholarships Fund				
Restricted: Scholarships	45	282	(237)	(84.04)%
Permanent Fund				
Nonspendable	3,000	3,000	-	0.00 %
Total Fund Balance	<u>\$ 61,240,219</u>	<u>\$ 75,658,226</u>	<u>\$ (14,418,007)</u>	(19.06)%

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

A. General Fund

The general fund – fund balance is a net increase of \$2,333,535 compared to a decrease of \$2,792,466 in 2021. This resulted from revenues and other financing sources in excess of expenditures and other financing uses.

Revenues and other financing sources increased by \$7,864,581, or 3.35% over the prior year. The following is a summary of the major changes:

- Property taxes and STAR increased due to an increase in the tax levy in accordance with the 2021-2022 voter-approved budget.
- State sources increased mainly due to more general aid received in the current year.
- Other financing sources increased as funds originally allocated to fund ventilation system projects were returned from the capital projects fund when the projects became eligible for grant funding under the Coronavirus Aid, Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief (ESSER) program and the American Rescue Plan (ARP) program.

Expenditures and other financing uses increased by \$2,738,580, or 1.15% over the prior year. The following is a summary of the major changes:

- Instruction expenditures increased due to contractual increases in salaries, and the growth in co-curricular activities and interscholastic athletics, as they returned to pre COVID-19 levels.
- Employee benefits expenditures increased due to higher pension contribution rates for the District's liabilities to the New York State Teachers' Retirement and the New York State and Local Employees' Retirement Systems, and higher health insurance rates.
- General support expenditures decreased as the prior year had costs related to implementing COVID-19 regulations, resulting in increased security, additional employees hired for cleaning and maintenance, and an increase in supplies for desk guards, sanitizers and cleaning products.
- Instructional media expenditures decreased as in the prior year the District invested in additional instructional supplies for a hybrid/remote platform and Chromebooks for all students.
- Other financing uses decreased as, in the prior year, the District transferred \$7,344,347 to the capital projects fund to fund district-wide improvements, whereas, in the current year, the District transferred \$1,913,547 to fund current capital projects.

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, 2021	Use of Reserves	Interest	Funding	Balance @ June 30, 2022
Workers' compensation	\$ 3,275,338	\$ (730,000)	\$ 3,479	\$ 1,000,000	\$ 3,548,817
Unemployment insurance	735,664	(14,904)	780		721,540
Retirement contribution					
TRS	5,817,238	(529,579)	5,906	2,114,878	7,408,443
ERS	14,194,991	(3,170,744)	15,076	751,023	11,790,346
Insurance	314,474	(159,500)	334		155,308
EBALR	3,374,308	(100,000)	3,584		3,277,892
Capital					
May 2014	11,797		458		12,255
May 2018	25,046		27		25,073
June 2020	2,632,774		2,265	3,663,984	6,299,023
Repairs	171,456		90		171,546
	<u>\$ 30,553,086</u>	<u>\$ (4,704,727)</u>	<u>\$ 31,999</u>	<u>\$ 7,529,885</u>	<u>\$ 33,410,243</u>

Included in the funding of the June 2020 capital reserve is \$663,984, which represents a transfer from the capital projects fund capital reserve to the extent that these project costs will be funded by CARES Act funding. Additional detail regarding capital reserves can be found in Note 20 "Restricted for Capital Reserve."

B. School Food Service Fund

The school food service fund - fund balance net increase can be attributed to greater state and federal reimbursements, the result of an Executive Order granting school district waivers, which authorized the distribution of free meals to all students regardless of their eligibility status.

C. Debt Service Fund

The debt service fund – fund balance net increase is the result of interest earnings.

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, 2021	Use of Reserves	Funding	Balance @ June 30, 2022
May 2014	\$ 3,717,074	\$ (3,717,074)	\$	\$ -
June 2020	1,769,477	(1,729,976)		39,501
	<u>\$ 5,486,551</u>	<u>\$ (5,447,050)</u>	<u>\$ -</u>	<u>\$ 39,501</u>

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

E. Extraclassroom Activities Fund

The extraclassroom activities fund – 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 decrease is the result of scholarships awarded exceeding scholarship donations and interest.

G. Permanent Fund

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

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021-2022 Budget

The District's general fund adopted budget for the year ended June 30, 2022 was \$247,160,025. This amount was increased by encumbrances carried forward from the prior year in the amount of \$709,418, and budget revisions of \$169,500, for a total final budget of \$208,289,296.

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$204,236,165 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	\$ 9,886,401
Revenues Over Budget	2,848,806
Expenditures and Encumbrances Under Budget	7,149,280
Unused Appropriated Reserves	(309,352)
Allocation to Reserves	(7,561,884)
Appropriated to Fund the June 30, 2023 Budget	<u>(1,700,000)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 10,313,251</u></u>

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

Opening, Unassigned Fund Balance

The \$9,886,401 shown in the table is the portion of the District's June 30, 2021 fund balance that was retained as unassigned.

Revenues Over Budget

The 2021-2022 final budget for revenues was \$239,501,899. Actual revenues and other sources recognized for the year were \$242,350,705. The excess of actual revenues over estimated or budgeted revenues was \$2,848,806, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2021 to June 30, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures and Encumbrances Under Budget

The 2021-2022 final budget for expenditures was \$248,038,943. Actual expenditures and other uses as of June 30, 2022 were \$240,017,170 and outstanding encumbrances were \$872,493. Combined, the expenditures plus encumbrances for 2021-2022 were \$240,889,663. The final budget variance was \$7,149,280, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2021 to June 30, 2022. 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 2021-2022 budget, \$4,854,579 of reserves was appropriated to reduce the tax levy. Due to lower than anticipated reserve expenditures, \$309,352 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 Management's Discussion and Analysis details the allocation of interest earnings and funding transfers to the reserves.

Appropriated Fund Balance

The District has chosen to use \$1,700,000 of the available June 30, 2022 unassigned fund balance to partially fund the 2022-2023 approved operating budget. As such, the June 30, 2022 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the summary table, the unassigned fund balance at June 30, 2022 was \$10,313,251. This amount equals 4.00% of the 2022-2023 budget, which is the statutory limit.

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

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

A. Capital Assets

At June 30, 2022, 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 \$20,252,640 in excess of depreciation/amortization expense of \$6,019,261 recorded for the year ended June 30, 2022. A summary of the District's capital assets, net of accumulated depreciation/amortization at June 30, 2022 and 2021 is as follows:

	June 30, 2022	As Restated June 30, 2021	Increase (Decrease)
Land	\$ 1,254,281	\$ 1,254,281	\$ -
Construction work in progress	51,614,322	39,637,986	11,976,336
Buildings and improvements	83,175,961	80,253,234	2,922,727
Land improvements	8,236,579	7,471,414	765,165
Furniture, equipment and vehicles	7,428,047	7,814,068	(386,021)
Leased equipment and fixtures	3,619,256	4,664,084	(1,044,828)
Capital assets, net	<u>\$ 155,328,446</u>	<u>\$ 141,095,067</u>	<u>\$ 14,233,379</u>

The District implemented GASB Statement No. 87 during the June 30, 2022 year; the June 30, 2021 balances have been restated to reflect the addition of leased equipment and fixtures.

B. Debt Administration

At June 30, 2022, the District had combined total debt of \$60,830,411. The decreases in outstanding debt represent principal payments made throughout the year. A summary of the outstanding debt at June 30, 2022 and 2021 is as follows:

Issue/ Commencement Date	Interest Rate	June 30, 2022	As Restated June 30, 2021	Increase (Decrease)
Bonds Payable				
2001	4.0-5.0%	\$ -	\$ 10,000	\$ (10,000)
2002	4.1-5.0%	-	20,000	(20,000)
2013	2.0-5.0 %	3,390,000	4,130,000	(740,000)
2013	2.0-5.0 %	2,530,000	3,840,000	(1,310,000)
2015	2.0-5.0 %	715,000	850,000	(135,000)
2017	5.00%	-	1,355,000	(1,355,000)
2019	2.0-2.25%	27,535,000	28,870,000	(1,335,000)
2020	2.00%	22,950,000	24,150,000	(1,200,000)
		<u>\$ 57,120,000</u>	<u>\$ 63,225,000</u>	<u>\$ (6,105,000)</u>
Lease Liabilities				
2020	0.97%	\$ 98,696	\$ 198,899	\$ (100,203)
2020	1.08%	329,691	433,550	(103,859)
2021	2.24%	3,282,024	4,031,635	(749,611)
		<u>\$ 3,710,411</u>	<u>\$ 4,664,084</u>	<u>\$ (953,673)</u>

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

The District implemented GASB Statement No. 87 during the June 30, 2022 year; the June 30, 2021 balances have been restated to reflect the addition of lease liabilities.

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, 2022 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 other postemployment benefits liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2022 and 2021 is as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Compensated absences payable	\$ 5,085,515	\$ 5,335,985	\$ (250,470)
Workers' compensation liabilities	3,975,474	2,861,480	1,113,994
Net pension liabilities - proportionate share	-	17,317,575	(17,317,575)
Total OPEB liability	<u>374,380,365</u>	<u>449,848,479</u>	<u>(75,468,114)</u>
	<u>\$ 383,441,354</u>	<u>\$ 475,363,519</u>	<u>\$ (91,922,165)</u>

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 17, 2022, for the year ending June 30, 2023 is \$257,831,270. This is an increase of \$10,671,245 or 4.32% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at a \$7,177,775 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 \$1,700,000 is a \$1,113,547 decrease from the previous year. Additionally, the District has elected to appropriate \$4,550,400 of reserves towards the next year's budget, which is a decrease of \$304,179 from the previous year. A property tax increase of \$4,911,196 (2.36%), 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 2022-2023 is 2.61%. The District's 2022-2023 property tax increase of 2.36% was less than the tax cap and did not require an override vote.

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

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, 2022

ASSETS

Cash	
Unrestricted	\$ 35,028,377
Restricted	41,650,522
Receivables	
Accounts receivable	42,987
Taxes receivable	3,996,714
Due from state and federal	7,010,896
Due from other governments	324,266
Prepays	3,050
Inventory	74
Capital assets:	
Not being depreciated/amortized	52,868,603
Being depreciated/amortized, net of accumulated depreciation/amortization	102,459,843
Net pension assets - proportionate share	<u>113,533,257</u>
 Total Assets	 <u>356,918,589</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	74,036,304
Other postemployment benefits	<u>104,293,693</u>
 Total Deferred Outflows of Resources	 <u>178,329,997</u>

LIABILITIES

Payables	
Accounts payable	7,758,009
Accrued liabilities	1,571,892
Due to fiduciary funds	136,572
Due to other governments	833,636
Due to teachers' retirement system	11,812,579
Due to employees' retirement system	731,555
Compensated absences payable	119,956
Other liabilities	3,753,434
Unearned credits	
Collections in advance	408,058
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	5,274,978
Lease liabilities	1,047,364
Compensated absences payable	100,000
Due and payable after one year	
Bonds payable, net	52,815,422
Lease liabilities	2,663,047
Compensated absences payable	4,985,515
Workers' compensation liabilities	3,975,474
Total other postemployment benefits liability	<u>374,380,365</u>
 Total Liabilities	 <u>472,367,856</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	138,857,177
Other postemployment benefits	<u>151,545,512</u>
 Total Deferred Inflows of Resources	 <u>290,402,689</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>100,784,332</u>
Restricted:	
Workers' compensation	3,548,817
Unemployment insurance	721,540
Retirement contribution	
Teachers' retirement system	7,408,443
Employees' retirement system	11,790,346
Insurance	155,308
Employee benefit accrued liability	3,277,892
Capital	6,375,852
Repairs	171,546
Debt	941,036
Scholarships	45
	<u>34,390,825</u>
 Unrestricted (Deficit)	 <u>(362,697,116)</u>
 Total Net Position (Deficit)	 <u>\$ (227,521,959)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues		Net (Expense)
		Charges for	Operating Grants	Revenue and
	Expenses	Services	& Contributions	Changes in
				Net Position
FUNCTIONS/PROGRAMS				
General support	\$ 31,835,400	\$	\$	\$ (31,835,400)
Instruction	189,619,030	1,443,420	5,108,343	(183,067,267)
Pupil transportation	10,983,208			(10,983,208)
Community services	294,828			(294,828)
Debt service - interest	1,585,752			(1,585,752)
Food service program	2,787,508	327,961	3,209,506	749,959
Total Functions and Programs	<u>\$ 237,105,726</u>	<u>\$ 1,771,381</u>	<u>\$ 8,317,849</u>	<u>(227,016,496)</u>
GENERAL REVENUES				
Real property taxes				201,579,517
Other tax items				15,653,801
Use of money and property				82,844
Sale of property and compensation for loss				154,619
Miscellaneous				1,467,075
State sources				20,895,660
Intergovernmental revenue				928,000
Medicaid reimbursement				55,816
Total General Revenues				<u>240,817,332</u>
Change in Net Position				13,800,836
Total Net Position (Deficit) - Beginning of Year				<u>(241,322,795)</u>
Total Net Position (Deficit) - End of Year				<u>\$ (227,521,959)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2022

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
ASSETS									
Cash									
Unrestricted	\$ 27,966,388	\$ 112,513	\$ 149,918	\$	\$ 6,367,163	\$ 432,395	\$	\$	\$ 35,028,377
Restricted	33,410,243			941,036	7,296,198		45	3,000	41,650,522
Receivables									
Accounts receivable	38,722					4,265			42,987
Taxes receivable	3,996,714								3,996,714
Due from other funds	1,915,705	231,927	136,940						2,284,572
Due from state and federal	3,760,551	1,999,689	1,250,656						7,010,896
Due from other governments	324,266								324,266
Prepays	3,050								3,050
Inventory			74						74
Total Assets	<u>\$ 71,415,639</u>	<u>\$ 2,344,129</u>	<u>\$ 1,537,588</u>	<u>\$ 941,036</u>	<u>\$ 13,663,361</u>	<u>\$ 436,660</u>	<u>\$ 45</u>	<u>\$ 3,000</u>	<u>\$ 90,341,458</u>
LIABILITIES									
Payables									
Accounts payable	\$ 6,122,984	\$ 346,762	\$ 243,006	\$	\$ 993,419	\$ 51,838	\$		\$ 7,758,009
Accrued liabilities	1,227,067	24,192	8,438			3,171			1,262,868
Due to other funds	505,439	1,894,001			21,704				2,421,144
Due to other governments	785,870	31,221	16,545						833,636
Due to teachers' retirement system	11,812,579								11,812,579
Due to employees' retirement system	731,555								731,555
Compensated absences payable	119,956								119,956
Other liabilities	3,753,434								3,753,434
Unearned credits									
Collections in advance	57,718	47,953	302,387						408,058
Total Liabilities	<u>25,116,602</u>	<u>2,344,129</u>	<u>570,376</u>	<u>-</u>	<u>1,015,123</u>	<u>55,009</u>	<u>-</u>	<u>-</u>	<u>29,101,239</u>
FUND BALANCES									
Nonspendable:									
Prepays	3,050								3,050
Inventory			74						74
Scholarships								3,000	3,000
Restricted:									
Workers' compensation	3,548,817								3,548,817
Unemployment insurance	721,540								721,540
Retirement contribution									
Teachers' retirement system	7,408,443								7,408,443
Employees' retirement system	11,790,346								11,790,346
Insurance	155,308								155,308
Employee benefit accrued liability	3,277,892								3,277,892
Capital	6,336,351				39,501				6,375,852
Repairs	171,546								171,546
Debt				941,036					941,036
Scholarships							45		45
Unspent bond proceeds					7,256,697				7,256,697
Assigned:									
Appropriated fund balance	1,700,000								1,700,000
Unappropriated fund balance	872,493		967,138		5,352,040	381,651			7,573,322
Unassigned: Fund balance	10,313,251								10,313,251
Total Fund Balances	<u>46,299,037</u>	<u>-</u>	<u>967,212</u>	<u>941,036</u>	<u>12,648,238</u>	<u>381,651</u>	<u>45</u>	<u>3,000</u>	<u>61,240,219</u>
Total Liabilities and Fund Balances	<u>\$ 71,415,639</u>	<u>\$ 2,344,129</u>	<u>\$ 1,537,588</u>	<u>\$ 941,036</u>	<u>\$ 13,663,361</u>	<u>\$ 436,660</u>	<u>\$ 45</u>	<u>\$ 3,000</u>	<u>\$ 90,341,458</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total Governmental Fund Balances		\$ 61,240,219
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of building, acquiring, and leasing capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position 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	\$ 243,121,271	
Less: Accumulated depreciation/amortization	<u>(87,792,825)</u>	
		155,328,446
Proportionate share of long-term assets, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or assets and are not reported in the funds.		
Net pension asset - teachers' retirement system	107,960,814	
Net pension asset - employees' retirement system	5,572,443	
Deferred outflows of resources	74,036,304	
Deferred inflows of resources	<u>(138,857,177)</u>	
		48,712,384
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	104,293,693	
Total other postemployment benefits liability	(374,380,365)	
Deferred inflows of resources	<u>(151,545,512)</u>	
		(421,632,184)
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 outstanding debt	(309,024)	
Bonds payable, net	(58,090,400)	
Lease liabilities	(3,710,411)	
Compensated absences payable	(5,085,515)	
Workers' compensation liabilities	<u>(3,975,474)</u>	
		(71,170,824)
Total Net Position (Deficit)		<u><u>\$ (227,521,959)</u></u>

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2022

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
REVENUES									
Real property taxes	\$ 201,579,517	\$	\$	\$	\$	\$	\$	\$	\$ 201,579,517
Other tax items	15,653,801								15,653,801
Charges for services	934,320								934,320
Use of money and property	82,126		161	557			2		82,846
Sale of property and compensation for loss	154,619								154,619
Miscellaneous	1,467,075		1,376			509,100	11		1,977,562
Intergovernmental revenue				928,000					928,000
State sources	20,963,594	672,418	54,885						21,690,897
Medicaid reimbursement	55,816								55,816
Federal sources	17,802	4,418,110	3,154,621						7,590,533
Sales			326,585						326,585
Total Revenues	240,908,670	5,090,528	3,537,628	928,557	-	509,100	13	-	250,974,496
EXPENDITURES									
General support	26,079,552	2,196,665							28,276,217
Instruction	135,872,218	3,240,460				454,749	250		139,567,677
Pupil transportation	10,664,042								10,664,042
Community service	214,953								214,953
Employee benefits	56,722,916								56,722,916
Debt service									
Principal	953,673			6,105,000					7,058,673
Interest	379,391			1,693,281					2,072,672
Food service program			2,767,031						2,767,031
Capital outlay					18,048,322				18,048,322
Total Expenditures	230,886,745	5,437,125	2,767,031	7,798,281	18,048,322	454,749	250	-	265,392,503
Excess (Deficiency) of Revenues Over Expenditures	10,021,925	(346,597)	770,597	(6,869,724)	(18,048,322)	54,351	(237)	-	(14,418,007)
OTHER FINANCING SOURCES AND (USES)									
Operating transfers in	1,442,035	346,597		6,870,281	1,913,547				10,572,460
Operating transfers (out)	(9,130,425)				(1,442,035)				(10,572,460)
Total Other Financing Sources and (Uses)	(7,688,390)	346,597	-	6,870,281	471,512	-	-	-	-
Net Change in Fund Balances	2,333,535	-	770,597	557	(17,576,810)	54,351	(237)	-	(14,418,007)
Fund Balances - Beginning of Year	43,965,502		196,615	940,479	30,225,048	327,300	282	3,000	75,658,226
End of Year	\$ 46,299,037	\$ -	\$ 967,212	\$ 941,036	\$ 12,648,238	\$ 381,651	\$ 45	\$ 3,000	\$ 61,240,219

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, 2022

Net Change in Fund Balances \$ (14,418,007)

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

Long-Term Revenue and Expense Differences

Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.

\$ (67,934)

Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.

Decrease in compensated absences payable 250,470

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 (1,113,994)

(931,458)

Capital Related Differences

Capital outlays to purchase or build 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 20,252,640
Depreciation/amortization expense (6,019,261)

14,233,379

Long-Term Debt Transactions Differences

The amortization of the deferred premium, net of the amortization of the deferred charges on the advance refunding of bonds, decreases interest expense in the Statement of Activities.

199,820

Repayment of long-term debt 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.

Repayment of bond principal 6,105,000
Repayment of lease liabilities 953,673

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, 2021 to June 30, 2022.

287,100

7,545,593

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 16,686,692
Employees' retirement system 2,344,144
Other postemployment benefits (11,659,507)

7,371,329

Change in Net Position (Deficit) of Governmental Activities

\$ 13,800,836

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2022

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 6,912
Due from governmental funds	<u>136,572</u>
Total Assets	<u>143,484</u>
LIABILITIES	
Due to other governments	136,572
Other liabilities	<u>6,912</u>
Total Liabilities	<u>143,484</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ -</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2022

	<u>Custodial</u>
ADDITIONS	
Real property taxes and PILOT collected for the Library	\$ 7,703,950
DEDUCTIONS	
Real property taxes and PILOT disbursed to the Library	<u>7,703,950</u>
Change in Net Position	-
Net Position - Beginning of Year	<u> </u>
Net Position - End of Year	<u><u>\$ -</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. 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 acquisition, construction, renovation or major repair of capital facilities and other capital assets.

Extraclassroom Activities Fund - 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, claims and judgments, compensated absences, pension costs and other postemployment benefits, 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 \$4,615,519 in LIPA PILOT revenue during the 2021-2022 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 between 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, other postemployment benefits, 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 position 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 other postemployment benefits liability not included in OPEB expense.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 and other fees in the general fund, prepaid lunch 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 time.

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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

R. Other Benefits

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

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

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 position 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 other postemployment benefits liability not included in OPEB expense.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 acquisitions, construction, and improvements of those assets.

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes 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. The Board may also adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. 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 benefit primarily based on unused and unpaid sick leave, personal leave, holiday leave or vacation time 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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 Bond Proceeds

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

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Balance Classification

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

The Board of Education 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.

2. CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, Leases, which provides guidance for identifying certain leased assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on payment provisions of the contract.

3. FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB statements issued, but the statement that the District feels may have a future impact on these financial statements. The District will evaluate the impact of this pronouncement and implement it, as applicable, if material.

Effective for the Year Ending	Statement
June 30, 2023	GASB No. 96 - <i>Subscription Based Information Technology Agreements</i>

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 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.

Other postemployment benefit 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 other postemployment benefit 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education 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 the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Education 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:

Contingent expenditures funded by insurance reserve	\$ 159,500
Contingent expenditures funded by donations	<u>10,000</u>
	<u><u>\$ 169,500</u></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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 on the District's behalf at year-end.

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, 2022, the District was billed \$12,700,083 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,349,114. 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, 2022 consisted of:

General Fund	
New York State - general aid	\$ 730,595
New York State - excess cost aid	505,425
BOCES aid	2,498,774
Federal - CARES - GEER	25,757
	<u>3,760,551</u>
Special Aid Fund	
Federal and state grants	1,999,689
School Food Service Fund	
Federal and state food service program reimbursements	<u>1,250,656</u>
	<u>\$ 7,010,896</u>

District management expects these amounts to be fully collectible.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

9. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2022 consisted of:

General Fund	
PILOT payments	\$ 58,566
Other districts - split property	10,313
Other districts - tuition and health services	243,221
Miscellaneous	12,166
	<u>\$ 324,266</u>

District management expects these amounts to be fully collectible.

10. CAPITAL ASSETS

A. Changes

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, which resulted in the reporting of leased equipment and fixtures. Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	As Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Governmental activities				
Capital assets not being depreciated/amortized:				
Land	\$ 1,254,281	\$	\$	\$ 1,254,281
Construction work in progress	39,637,986	19,418,317	(7,441,981)	51,614,322
Total capital assets not being depreciated/amortized	<u>40,892,267</u>	<u>19,418,317</u>	<u>(7,441,981)</u>	<u>52,868,603</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	149,578,845	6,489,348		156,068,193
Land improvements	11,050,970	1,024,673		12,075,643
Furniture, equipment and vehicles	16,854,409	762,283	(171,944)	17,444,748
Leased equipment and fixtures	4,664,084			4,664,084
Total capital assets being depreciated/amortized	<u>182,148,308</u>	<u>8,276,304</u>	<u>(171,944)</u>	<u>190,252,668</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	69,325,611	3,566,621		72,892,232
Land improvements	3,579,556	259,508		3,839,064
Furniture, equipment and vehicles	9,040,341	1,148,304	(171,944)	10,016,701
Leased equipment and fixtures	-	1,044,828		1,044,828
Total accumulated depreciation/amortization	<u>81,945,508</u>	<u>6,019,261</u>	<u>(171,944)</u>	<u>87,792,825</u>
Total capital assets, being depreciated/amortized, net	<u>100,202,800</u>	<u>2,257,043</u>	<u>-</u>	<u>102,459,843</u>
Capital assets, net	<u>\$ 141,095,067</u>	<u>\$ 21,675,360</u>	<u>\$ (7,441,981)</u>	<u>\$ 155,328,446</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

General support	\$ 705,870
Instruction	5,037,946
Pupil transportation	226,576
Community service	6,057
Food service program	42,812
Total depreciation/amortization expense	<u>\$ 6,019,261</u>

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 0.97% to 2.24%. 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, 2022 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 1,915,705	\$ 505,439	\$ 1,442,035	\$ 9,130,425
Special Aid Fund	231,927	1,894,001	346,597	
School Food Service Fund	136,940			
Debt Service Fund			6,870,281	
Capital Projects Fund		21,704	1,913,547	1,442,035
Total Governmental Funds	<u>2,284,572</u>	<u>2,421,144</u>	<u>\$ 10,572,460</u>	<u>\$ 10,572,460</u>
Custodial Fund	136,572			
Total	<u>\$ 2,421,144</u>	<u>\$ 2,421,144</u>		

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 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 capital projects fund to the general fund was to return available funding for the HBT DOAS Ventilation project and the South Woods DOAS ventilation project, which expenditures will be funded by CRRSA and ARP funding.

12. SHORT-TERM DEBT

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

	Maturity	Stated Interest Rate	Balance June 30, 2021	Issued	Redeemed	Balance June 30, 2022
TAN	6/24/2022	1.50%	<u>\$ -</u>	<u>\$ 27,000,000</u>	<u>\$ (27,000,000)</u>	<u>\$ -</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$299,250. The District received a premium of \$271,350, which is included in miscellaneous revenue in the general fund. The net effective interest rate was 0.1398%.

13. LONG-TERM LIABILITIES

A. Changes

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, which resulted in the reporting of a change in lease liabilities. Long-term liability balances and activity, excluding pension and other postemployment benefits liabilities, for the year are summarized below:

	As Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 63,225,000	\$	\$ (6,105,000)	\$ 57,120,000	\$ 5,095,000
Premiums on bonds	1,174,107		(203,707)	970,400	179,978
	64,399,107	-	(6,308,707)	58,090,400	5,274,978
Lease liabilities	4,664,084		(953,673)	3,710,411	1,047,364
	69,063,191		(7,262,380)	61,800,811	6,322,342
Other long-term liabilities:					
Compensated absences payable	5,335,985		(250,470)	5,085,515	100,000
Workers' compensation liabilities	2,861,480	2,200,924	(1,086,930)	3,975,474	
	8,197,465	2,200,924	(1,337,400)	9,060,989	100,000
	<u>\$ 77,260,656</u>	<u>\$ 2,200,924</u>	<u>\$ (8,599,780)</u>	<u>\$ 70,861,800</u>	<u>\$ 6,422,342</u>

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

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
Serial bonds (refunding)	10/2013	12/2025	2.0-5.0 %	\$ 3,390,000
Serial bonds (refunding)	10/2013	7/2025	2.0-5.0 %	2,530,000
Serial bonds (refunding)	5/2015	7/2026	2.0-5.0 %	715,000
Serial bonds	9/2019	12/2038	2.0-2.25%	27,535,000
Serial bonds	7/2020	1/2036	2.00%	22,950,000
				<u>\$ 57,120,000</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>
2023	\$ 5,095,000	\$ 1,255,931	\$ 6,350,931
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 - 2032	16,370,000	2,827,744	19,197,744
2033 - 2037	15,750,000	1,138,944	16,888,944
2038 - 2039	3,655,000	81,384	3,736,384
Total	<u>\$ 57,120,000</u>	<u>\$ 9,029,135</u>	<u>\$ 66,149,135</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>
2023	\$ (179,978)
2024	(175,239)
2025	(170,418)
2026	(165,562)
2027	(52,016)
2028 - 2032	(181,597)
2033 - 2036	(45,590)
Total	<u>\$ (970,400)</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, 2022</u>
Chromebooks and cases	7/1/2020	6/30/2023	0.97%	\$ 98,696
Computer equipment	10/23/2020	10/22/2025	1.08%	329,691
Computer equipment	4/9/2021	4/8/2026	2.24%	3,282,024
				<u>\$ 3,710,411</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>
2023	\$ 1,047,364	\$ 68,141	\$ 1,115,505
2024	968,958	47,618	1,016,576
2025	989,694	26,882	1,016,576
2026	704,395	6,396	710,791
Total	<u>\$ 3,710,411</u>	<u>\$ 149,037</u>	<u>\$ 3,859,448</u>

There were no variable payments or other payments made for leases included above. There were no additional lease commitments entered into by the District after June 30, 2022.

E. Interest Expense

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

Interest paid	\$ 1,773,422
Less interest accrued in the prior year	(596,124)
Plus interest accrued in the current year	309,024
Less amortization of deferred amounts	<u>(199,820)</u>
Total interest expense on long-term debt	<u>\$ 1,286,502</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, 2022, the Library paid \$928,000 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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the 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 contributions are deducted from state aid in the subsequent months of September, October, and November. 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 9.53% of covered payroll for the TRS' fiscal year ended June 30, 2021. The District's average contribution rate was 15.34% of covered payroll for the ERS' fiscal year ended March 31, 2022.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2022 was \$10,811,431 for TRS at the contribution rate of 9.80% and \$3,353,497 for ERS at an average contribution rate of 14.35%.

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, 2022, 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, 2021, for TRS and March 31, 2022 for ERS. The total pension asset/(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.

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2022
District's proportionate share of the net pension asset	\$ 107,960,814	\$ 5,572,443
District's portion of the Plan's total net pension asset	0.623005%	0.0681679%
Change in proportion since the prior measurement date	(0.001504)	0.0071937

For the year ended June 30, 2022, the District recognized pension expense (credit) of \$(5,869,717) for TRS and \$814,275 for ERS. At June 30, 2022, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	\$ 14,881,253	\$ 422,009	\$ 560,903	\$ 547,369
Changes of assumptions	35,510,569	9,299,783	6,288,399	156,924
Net difference between projected and actual earnings on pension plan investments			112,992,163	18,247,417
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,006,866	1,372,838	33,330	30,672
District contributions subsequent to the measurement date	10,811,431	731,555		
Total	<u>\$ 62,210,119</u>	<u>\$ 11,826,185</u>	<u>\$ 119,874,795</u>	<u>\$ 18,982,382</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, 2023. 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
2023	\$ (13,616,795)	\$ (956,078)
2024	(16,121,811)	(1,675,088)
2025	(20,442,560)	(4,454,348)
2026	(27,085,787)	(802,238)
2027	5,183,197	
Thereafter	3,607,649	
	<u>\$ (68,476,107)</u>	<u>\$ (7,887,752)</u>

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, 2021	March 31, 2022
Actuarial valuation date	June 30, 2020	April 1, 2021
Inflation	2.40%	2.70%
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%	1.40%

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience. 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-2020. 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, 2021 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. The June 30, 2020 demographic actuarial assumptions and the salary scale were based on the results of an actuarial experience study for the period of July 1, 2009 – June 30, 2014. 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, 2021		March 31, 2021
Asset type				
Domestic equity	33.0%	6.80%	32.0%	3.30%
International equity	16.0%	7.60%	15.0%	5.85%
Global equity	4.0%	7.10%		
Real estate equity	11.0%	6.50%	9.0%	5.00%
Private equities	8.0%	10.00%	10.0%	6.50%
Alternative investments			10.0%	3.78-5.58%
Domestic fixed income	16.0%	1.30%		
Global bonds	2.0%	0.80%		
High-yield bonds	1.0%	3.80%		
Fixed income			23.0%	0.00%
Private debt	1.0%	5.90%		
Real estate debt	7.0%	3.30%		
Cash equivalents	1.0%	(0.20)%		
Cash			1.0%	(1.00)%
	<u>100.0%</u>		<u>100.0%</u>	

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 discount rate used by the TRS at the prior year's measurement date of June 30, 2020, was 7.10%). 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>\$ 11,328,913</u>	<u>\$ 107,960,814</u>	<u>\$ 189,172,915</u>
ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset (liability)	<u>\$ (14,343,409)</u>	<u>\$ 5,572,443</u>	<u>\$ 22,231,093</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, 2021	March 31, 2022
Employers' total pension liability	\$ (130,819,415)	\$ (223,874,888)
Plan fiduciary net position	<u>148,148,457</u>	<u>232,049,473</u>
Employers' net pension asset	<u>\$ 17,329,042</u>	<u>\$ 8,174,585</u>
Ratio of plan fiduciary net position to the employers' total pension liability	113.25%	103.65%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022, are paid to the system in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022, represent employer and employee contributions for the fiscal year ended June 30, 2022, 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, 2022 amounted to \$10,811,431 of employer contributions and \$1,001,148 of employee contributions.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2022, represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$731,555 of employer contributions. Employee contributions are remitted monthly.

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, 2022, totaled \$20,000 and \$6,329,674, 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, 2022, totaled \$1,024,938.

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 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,160
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,005</u>
	<u><u>2,165</u></u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Total OPEB Liability

The District's total OPEB liability of \$374,380,365 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

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:

Inflation	2.60%
Salary increases	2.60% average, including inflation
Discount rate	3.54%
Healthcare cost trend rates	5.30% decreasing to an ultimate rate of 4.10% over 55 years
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 the RP-2014 adjusted to 2006 total Dataset Mortality Table, generationally projected using Scale MP 2019.

The actuarial assumptions used in the June 30, 2022 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, 2021	<u>\$ 449,848,479</u>
Changes for the year	
Service cost	18,867,464
Interest on total OPEB liability	10,021,058
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(94,749,217)
Benefit payments	<u>(9,607,419)</u>
	<u>(75,468,114)</u>
Balance at June 30, 2022	<u><u>\$ 374,380,365</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

OPEB	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	<u>\$ (439,975,304)</u>	<u>\$ (374,380,365)</u>	<u>\$ (321,843,124)</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 (4.30%) or 1 percentage point higher (6.30%) than the current healthcare cost trend rate:

OPEB	1% Decrease 4.30% decreasing to 3.10%	Healthcare Cost Trend Rates 5.30% decreasing to 4.10%	1% Increase 6.30% decreasing to 5.10%
Total OPEB liability	<u>\$ (317,326,444)</u>	<u>\$ (374,380,365)</u>	<u>\$ (448,560,887)</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$21,266,926. At June 30, 2022, 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	\$ 11,945,292	\$ 45,022,238
Changes of assumptions or other inputs	<u>92,348,401</u>	<u>106,523,274</u>
Total	<u>\$ 104,293,693</u>	<u>\$ 151,545,512</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending June 30,	Amount
2023	\$ (7,621,596)
2024	(7,621,596)
2025	(7,543,602)
2026	(8,143,769)
2027	(13,264,831)
Thereafter	(3,056,425)
	<u>\$ (47,251,819)</u>

17. 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, 2021, 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, 2022. 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, 2022. Claims activity is summarized below:

	2021	2022
Unpaid claims at beginning of year	\$ 2,735,757	\$ 2,861,480
Incurred claims and claim adjustment expenses	852,728	2,200,924
Claim payments	(727,005)	(1,086,930)
Unpaid claims at year-end	<u>\$ 2,861,480</u>	<u>\$ 3,975,474</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

18. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2022 restricted fund balances, to fund the budget for the year ending June 30, 2023:

Workers' Compensation	\$ 730,000
Unemployment Insurance	50,000
Retirement Contribution	
Teachers' Retirement System	1,400,000
Employees' Retirement System	2,270,400
Employee Benefit Accrued Liability	<u>100,000</u>
	<u><u>\$ 4,550,400</u></u>

19. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$1,700,000 has been approved to reduce taxes for the year ending June 30, 2023.

20. RESTRICTED FOR CAPITAL RESERVE

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

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	\$ 8,500,000	\$ 30,500,000
Transfer of reserves			663,984	663,984
Interest Earnings	147,267	25,073	7,364	179,704
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>12,255</u>	<u>25,073</u>	<u>6,299,023</u>	<u>6,336,351</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>(2,168,840)</u>	<u>(24,303,852)</u>
Total Capital Projects Fund	<u>-</u>	<u>-</u>	<u>39,501</u>	<u>39,501</u>
Balance as of June 30, 2022	<u><u>\$ 12,255</u></u>	<u><u>\$ 25,073</u></u>	<u><u>\$ 6,338,524</u></u>	<u><u>\$ 6,375,852</u></u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

21. 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 \$5,031,957. The District received payment in lieu of taxes (PILOT) payments totaling \$4,163,357.

22. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2022, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	
Capital Projects	<u>\$ 4,297,130</u>
Assigned: Unappropriated Fund Balance:	
General Fund	
General support	643,505
Instruction	<u>228,988</u>
	872,493
Capital Projects Fund	
Capital Projects	<u>2,558,768</u>
	<u><u>\$ 7,728,391</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.

23. 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 September 15, 2022, the District issued tax anticipation notes in the amount of \$30,000,000, which are due June 28, 2023 and bear interest at a stated rate of 4.00%. The District received a premium of \$319,800 with the borrowings, to yield an effective interest rate of 2.644%.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 208,289,296	\$ 201,537,503	\$ 201,579,517	\$ 42,014
Other tax items	9,588,924	16,340,717	15,653,801	(686,916)
Charges for services	794,313	794,313	934,320	140,007
Use of money and property	126,000	126,000	82,126	(43,874)
Sale of property and compensation for loss	76,687	76,687	154,619	77,932
Miscellaneous	885,649	895,649	1,467,075	571,426
Total Local Sources	219,760,869	219,770,869	219,871,458	100,589
State Sources	19,731,030	19,731,030	20,963,594	1,232,564
Medicaid Reimbursement			55,816	55,816
Federal Sources			17,802	17,802
Total Revenues	239,491,899	239,501,899	240,908,670	1,406,771
OTHER SOURCES				
Operating transfers in			1,442,035	1,442,035
Total Revenues and Other Sources	239,491,899	239,501,899	242,350,705	\$ 2,848,806
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	2,813,547	2,813,547		
Prior Year's Encumbrances	709,418	709,418		
Appropriated Reserves	4,854,579	5,014,079		
Total Appropriated Fund Balance	8,377,544	8,537,044		
Total Revenues, Other Financing Sources and Appropriated Fund Balance	\$ 247,869,443	\$ 248,038,943		

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, 2022

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 175,471	\$ 179,871	\$ 162,184	\$	\$ 17,687
Central administration	386,204	405,241	404,895		346
Finance	1,300,794	1,298,615	1,240,938	30,961	26,716
Staff	1,233,732	1,285,732	1,118,435		167,297
Central services	23,557,630	23,465,409	20,824,449	612,544	2,028,416
Special items	2,266,257	2,353,720	2,328,651		25,069
Total General Support	28,920,088	28,988,588	26,079,552	643,505	2,265,531
Instruction					
Administration & improvement	9,797,423	10,092,423	9,926,793		165,630
Teaching - regular school	79,614,950	79,326,950	78,580,508	183,642	562,800
Programs for students with disabilities	30,212,632	29,746,632	28,880,392		866,240
Occupational education	420,000	436,000	435,857		143
Teaching - special schools	516,010	671,010	652,830		18,180
Instructional media	6,388,162	5,656,162	5,440,884	9,858	205,420
Pupil services	12,445,206	12,681,206	11,954,954	35,488	690,764
Total Instruction	139,394,383	138,610,383	135,872,218	228,988	2,509,177
Pupil Transportation	11,755,322	11,605,322	10,664,042		941,280
Community Services	315,877	315,877	214,953		100,924
Employee Benefits	57,649,945	57,669,945	56,722,916		947,029
Debt Service					
Principal	-	954,000	953,673		327
Interest	720,000	764,403	379,391		385,012
Total Debt Service	720,000	1,718,403	1,333,064	-	385,339
Total Expenditures	238,755,615	238,908,518	230,886,745	872,493	7,149,280
OTHER USES					
Operating Transfers Out	9,113,828	9,130,425	9,130,425		-
Total Expenditures and Other Uses	\$ 247,869,443	\$ 248,038,943	240,017,170	\$ 872,493	\$ 7,149,280
Net Change in Fund Balance			2,333,535		
Fund Balance - Beginning of Year			43,965,502		
Fund Balance - End of Year			\$ 46,299,037		

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 Eight Fiscal Years

Teachers' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	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)	\$ 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	\$ 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	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 asset/(liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	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)	\$ 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	\$ 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	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 asset/(liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	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

	<i>Teachers' Retirement System</i>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 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	\$ 10,987,130
Contributions in relation to the contractually required contribution	<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>	<u>10,987,130</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	\$ 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	\$ 92,796,707
Contributions as a percentage of covered payroll	10%	10%	9%	11%	10%	12%	13%	18%	16%	12%
	<i>Employees' Retirement System</i>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 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	\$ 3,239,514
Contributions in relation to the contractually required contribution	<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>	<u>3,239,514</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	\$ 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	\$ 17,392,116
Contributions as a percentage of covered payroll	14%	14%	13%	14%	15%	14%	16%	21%	21%	19%

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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 18,867,464	\$ 14,228,085	\$ 12,212,805	\$ 15,914,697	\$ 12,696,778
Interest on total OPEB liability	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	-	(63,063,280)	-	27,358,576	(1,481,942)
Changes of assumptions or other inputs	(94,749,217)	80,210,319	66,354,513	(61,967,401)	-
Benefit payments	<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	(75,468,114)	31,631,410	80,396,521	(17,553,486)	14,117,990
Total OPEB liability, beginning	<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>\$ 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	\$ 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	352.21%	423.21%	369.72%	298.65%	278.72%
Discount rate	3.54%	2.16%	2.21%	3.50%	4.10%
Healthcare trend rates	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, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 247,160,025
Additions:	
Prior year's encumbrances	<u>709,418</u>
Original Budget	247,869,443
Budget revision	<u>169,500</u>
Final Budget	<u><u>\$ 248,038,943</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 voter-approved expenditure budget	<u><u>\$ 257,831,270</u></u>
Maximum allowed (4% of 2022-2023 budget)	<u><u>\$ 10,313,251</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 2,572,493
Unassigned fund balance	<u>10,313,251</u>
	\$ 12,885,744
Less:	
Appropriated fund balance	1,700,000
Encumbrances	<u>872,493</u>
Total adjustments	<u>2,572,493</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 10,313,251</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, 2022

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended	Methods of Financing				Fund
	June 30, 2021	June 30, 2022	Prior	Current	Total	Balance	Proceeds of	State Aid	Local Sources	Total	Balance
			Years	Year			Obligations				June 30, 2022
2016-17 Capital Reserve 2014 - Phase I											
South Grove Annex V/D/G	\$ 372,150	\$ 406,850	\$ 244,932	\$ 111,584	\$ 356,516	\$ 50,334	\$	\$	\$ 406,850	\$ 406,850	\$ 50,334
AP Willits V/D/G	504,850	555,550	284,913	206,674	491,587	63,963			555,550	555,550	63,963
Berry Hill V/D/G	465,785	509,085	276,555	181,570	458,125	50,960			509,085	509,085	50,960
South Woods V/D/G	954,083	1,185,083	486,647	469,001	955,648	229,435			1,185,083	1,185,083	229,435
Village V/D/G	507,388	605,448	257,806	251,144	508,950	96,498			605,448	605,448	96,498
High School V/D/G	1,869,526	1,919,326	984,240	776,612	1,760,852	158,474			1,919,326	1,919,326	158,474
South Grove V/D/G	534,119	577,819	317,004	203,253	520,257	57,562			577,819	577,819	57,562
Baylis V/D/G	654,300	714,900	326,978	310,007	636,985	77,915			714,900	714,900	77,915
W Whitman V/D/G	791,252	854,912	396,287	368,771	765,058	89,854			854,912	854,912	89,854
Robins Lane V/D/G	470,945	542,045	223,913	233,889	457,802	84,243			542,045	542,045	84,243
HBT V/D/G	1,129,521	1,406,021	575,905	579,219	1,155,124	250,897			1,406,021	1,406,021	250,897
District Wide Fire Alarms	2,065,722	2,065,722	1,945,289	12,874	1,958,163	107,559			2,065,722	2,065,722	107,559
Baylis Fuel Tanks	153,750	165,800	9,079	142,413	151,492	14,308			165,800	165,800	14,308
Berry Hill Fuel Tanks	101,442	96,469	96,469		96,469	-			96,469	96,469	-
South Grove Fuel Tanks	108,567	105,766	105,766		105,766	-			105,766	105,766	-
SG Annex Fuel Tanks	142,750	151,400	13,713	20,682	34,395	117,005			151,400	151,400	117,005
Village Fuel Tanks	155,454	148,454	8,581	22,233	30,814	117,640			148,454	148,454	117,640
Whitman Fuel Tanks	153,750	138,250	37,299	86,995	124,294	13,956			138,250	138,250	13,956
AP Willits Fuel Tanks	144,354	133,554	13,744	21,427	35,171	98,383			133,554	133,554	98,383
S Woods Fuel Tanks	107,077	106,864	107,077		107,077	(213)			106,864	106,864	(213)
HBT Fuel Tanks	122,850	107,315	100,815	6,500	107,315	-			107,315	107,315	-
High School Fuel Tanks	126,695	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	1,017,954	33,449	-			33,449			33,449	33,449	33,449
	<u>12,670,511</u>	<u>12,670,511</u>	<u>6,953,441</u>	<u>4,004,848</u>	<u>10,958,289</u>	<u>1,712,222</u>	<u>-</u>	<u>-</u>	<u>12,670,511</u>	<u>12,670,511</u>	<u>1,712,222</u>
2017-18 Capital Reserve 2014 Phase II/Bond											
HBT Roof	3,299,551	3,299,551	3,299,551		3,299,551	-			3,299,551	3,299,551	-
Robins Lane Roof	1,633,556	1,633,556	1,633,556		1,633,556	-			1,633,556	1,633,556	-
South Grove Corridor Addition	723,890	723,890	723,890		723,890	-	35,730		688,160	723,890	-
HS Site Work	9,149,504	9,149,504	9,149,504		9,149,504	-	5,087,999		4,061,505	9,149,504	-
HS Science Research Classroom	344,806	344,806	344,806		344,806	-	95,135	249,671		344,806	-
HS Fitness Center	5,010,618	5,093,018	4,677,237	291,467	4,968,704	124,314	4,920,675		172,343	5,093,018	124,314
Walt Whitman Upgrades	926,356	926,356	926,356		926,356	-	614,172		312,184	926,356	-
Baylis Parking	135,959	135,959	135,959		135,959	-	115,856		20,103	135,959	-
Berry Hill Parking	494,122	474,408	474,408		474,408	-	318,400		156,008	474,408	-
Bathrooms - Baylis	302,570	302,570	250,432	46	250,478	52,092	285,296		17,274	302,570	52,092
Bathrooms - Berry Hill	291,950	291,950	270,124	475	270,599	21,351	280,397		11,553	291,950	21,351
Bathrooms - Robins Lane	252,914	252,914	252,914		252,914	-	234,939		17,975	252,914	-
Bathrooms - South Grove	304,840	304,840	300,929	43	300,972	3,868	293,822		11,018	304,840	3,868
Bathrooms - SG Annex	135,610	135,610	116,553	537	117,090	18,520	128,913		6,697	135,610	18,520
Bathrooms - Village	244,274	244,274	244,274		244,274	-	232,712		11,562	244,274	-
Bathrooms - W Whitman	256,092	256,092	256,092		256,092	-	243,040		13,052	256,092	-
Bathrooms - AP Willits	310,430	310,430	292,503	43	292,546	17,884	297,743		12,687	310,430	17,884
Bathrooms - South Woods	227,510	227,510	193,214	46	193,260	34,250	203,781		23,729	227,510	34,250
Bathrooms - HBT	591,875	591,875	525,113	599	525,712	66,163	560,225		31,650	591,875	66,163
Bathrooms - High School	928,379	928,379	928,379		928,379	-	478,589		449,790	928,379	-
District Wide Fire Alarms - Phase II	1,438,800	1,438,800	1,430,641		1,430,641	8,159	1,438,800			1,438,800	8,159
HS Vestibule Project - Phase II	1,424,411	1,322,208	1,309,035	13,173	1,322,208	-	1,256,614		65,594	1,322,208	-

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2022

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended	Methods of Financing				Fund
	June 30, 2021	June 30, 2022	Prior	Current	Total	Balance	Proceeds of	State Aid	Local Sources	Total	Balance
			Years	Year			Obligations				June 30, 2022
2017-18 Capital Reserve 2014 Phase II/Bond (Continued)											
HVAC - Baylis	\$ 611,745	\$ 594,475	\$ 594,475	\$	\$ 594,475	\$ -	\$ 554,022	\$	\$ 40,453	\$ 594,475	\$ -
HVAC - Berry Hill	612,601	602,538	602,538		602,538	-	575,485		27,053	602,538	-
HVAC - Robins Lane	589,018	553,457	553,457		553,457	-	513,152		40,305	553,457	-
HVAC - South Grove	481,822	445,661	445,661		445,661	-	418,881		26,780	445,661	-
HVAC - SG Annex	276,313	255,798	255,798		255,798	-	240,114		15,684	255,798	-
HVAC - Village	587,400	560,595	560,595		560,595	-	533,713		26,882	560,595	-
HVAC - W Whitman	540,395	518,154	518,154		518,154	-	491,946		26,208	518,154	-
HVAC - AP Willits	548,190	532,533	532,533		532,533	-	502,938		29,595	532,533	-
HVAC - South Woods	711,586	643,971	591,604	52,367	643,971	-	599,483		44,488	643,971	-
HVAC - HBT	3,524,641	3,524,641	334,987	1,881,703	2,216,690	1,307,951	3,458,710		65,931	3,524,641	1,307,951
HVAC - South Woods	2,331,000	2,331,000	568,540	1,670,438	2,238,978	92,022	2,331,000			2,331,000	92,022
HVAC - High School	6,176,544	6,176,544	5,378,578	501,113	5,879,691	296,853	6,071,414		105,130	6,176,544	296,853
Unallocated	640,399	931,804	-			931,804	931,304		500	931,804	931,804
	<u>46,059,671</u>	<u>46,059,671</u>	<u>38,672,390</u>	<u>4,412,050</u>	<u>43,084,440</u>	<u>2,975,231</u>	<u>34,345,000</u>	<u>249,671</u>	<u>11,465,000</u>	<u>46,059,671</u>	<u>2,975,231</u>
2018-19											
HB Thompson Floor	288,128	288,128	288,128		288,128	-			288,128	288,128	-
HS Lockers	160,916	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	146,273	147,114	-			147,114			147,114	147,114	147,114
	<u>1,630,020</u>	<u>1,630,020</u>	<u>1,482,906</u>		<u>1,482,906</u>	<u>147,114</u>	<u>-</u>	<u>-</u>	<u>1,630,020</u>	<u>1,630,020</u>	<u>147,114</u>
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	129,900	116,513	116,513		116,513	-			116,513	116,513	-
HS Pool	115,542	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	624,494	637,881	21,600	12,195	33,795	604,086			637,881	637,881	604,086
Unallocated	78	804	-			804			804	804	804
	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,582,915</u>	<u>12,195</u>	<u>1,595,110</u>	<u>604,890</u>	<u>-</u>	<u>-</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>604,890</u>
Energy Performance Contract											
South Grove Annex	1,342,134	1,342,134	397,886	344,969	742,855	599,279	1,342,134			1,342,134	599,279
AP Willits	1,479,076	1,479,076	604,463	557,297	1,161,760	317,316	1,479,076			1,479,076	317,316
Berry Hill	875,046	875,046	447,550	379,450	827,000	48,046	875,046			875,046	48,046
South Woods MS	1,691,954	1,691,954	698,578	681,514	1,380,092	311,862	1,687,706		4,248	1,691,954	311,862
Village	1,390,899	1,390,899	472,405	815,751	1,288,156	102,743	1,390,899			1,390,899	102,743
Syosset HS	4,463,779	4,463,779	1,798,962	725,022	2,523,984	1,939,795	4,463,779			4,463,779	1,939,795
South Grove Elementary	641,217	641,217	420,437	187,256	607,693	33,524	641,217			641,217	33,524
Baylis	2,305,535	2,305,535	770,858	1,418,411	2,189,269	116,266	2,305,535			2,305,535	116,266
Walt Whitman	1,164,153	1,164,153	772,146	333,391	1,105,537	58,616	1,164,153			1,164,153	58,616
Robbins Lane	3,091,577	3,091,577	1,231,272	1,659,374	2,890,646	200,931	3,091,577			3,091,577	200,931
HBT MS	1,543,878	1,543,878	707,230	279,309	986,539	557,339	1,543,878			1,543,878	557,339
	<u>19,989,248</u>	<u>19,989,248</u>	<u>8,321,787</u>	<u>7,381,744</u>	<u>15,703,531</u>	<u>4,285,717</u>	<u>19,985,000</u>	<u>-</u>	<u>4,248</u>	<u>19,989,248</u>	<u>4,285,717</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2022

PROJECT TITLE	Budget June 30, 2021	Budget June 30, 2022	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2022
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
2020-21											
HS Site Work	\$ 634,300	\$ 605,227	\$ 606,027	\$ (800)	\$ 605,227	\$ -	\$		\$ 605,227	\$ 605,227	\$ -
District Wide Emergency Ventilation	714,225	714,225	671,569	35,885	707,454	6,771			714,225	714,225	6,771
South Woods Generator	436,000	389,309	97,968	194,835	292,803	96,506			389,309	389,309	96,506
HBT DOAS Ventilation	1,416,300	1,456,300	166,480	473,571	640,051	816,249			1,456,300	1,456,300	816,249 (1)
Hilltop Garage Ventilation	220,000	224,600	5,670	9,643	15,313	209,287			224,600	224,600	209,287
HS Roof Project		547,338		381,285	381,285	166,053			547,338	547,338	166,053
Unallocated	1,046,449	492,275				492,275			492,275	492,275	492,275
	<u>4,467,274</u>	<u>4,429,274</u>	<u>1,547,714</u>	<u>1,094,419</u>	<u>2,642,133</u>	<u>1,787,141</u>	<u>-</u>	<u>-</u>	<u>4,429,274</u>	<u>4,429,274</u>	<u>1,787,141</u>
Capital Reserve 20-21											
HS DOAS Ventilation	1,661,125	1,699,125	828,453	866,227	1,694,680	4,445			1,699,125	1,699,125	4,445
South Woods DOAS Ventilation	1,211,200	1,211,200	274,395	199,765	474,160	737,040			1,211,200	1,211,200	737,040 (2)
	<u>2,872,325</u>	<u>2,910,325</u>	<u>1,102,848</u>	<u>1,065,992</u>	<u>2,168,840</u>	<u>741,485</u>	<u>-</u>	<u>-</u>	<u>2,910,325</u>	<u>2,910,325</u>	<u>741,485</u>
Capital Reserve 21-22											
South Woods Partial repointing		475,700	-	16,154	16,154	459,546			475,700	475,700	459,546
HS Pool Ventilation		860,900	-	41,320	41,320	819,580			860,900	860,900	819,580
HS Corridor Roof		230,400	-	1,654	1,654	228,746			230,400	230,400	228,746
HS Roof Project Partial		122,500	-	17,946	17,946	104,554			122,500	122,500	104,554
Unallocated		224,047	-			224,047			224,047	224,047	224,047
	<u>-</u>	<u>1,913,547</u>	<u>-</u>	<u>77,074</u>	<u>77,074</u>	<u>1,836,473</u>			<u>1,913,547</u>	<u>1,913,547</u>	<u>1,836,473</u>
Totals	<u>\$ 89,889,049</u>	<u>\$ 91,802,596</u>	<u>\$ 59,664,001</u>	<u>\$ 18,048,322</u>	<u>\$ 77,712,323</u>	<u>\$ 14,090,273</u>	<u>\$ 54,330,000</u>	<u>\$ 249,671</u>	<u>\$ 37,222,925</u>	<u>\$ 91,802,596</u>	14,090,273
									Less: Transfer to general fund	<u>(1,442,035)</u>	(1) (2)
										<u>\$ 12,648,238</u>	

(1) HBT DOAS Ventilation project costs of \$778,051 funded by CRRSA ESSER 2 grant.

(2) South Woods DOAS Ventilation project costs of \$663,984 funded by ARP ESSER 3 grant.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2022

Capital assets, net	<u>\$ 155,328,446</u>
Deduct:	
Short-term portion of bonds payable	5,095,000
Long-term portion of bonds payable	52,025,000
Premium on bonds payable	970,400
Less: Unspent bond proceeds	(7,256,697)
Short-term portion of lease liabilities	1,047,364
Long-term portion of lease liabilities	<u>2,663,047</u>
	<u>54,544,114</u>
Net Investment in Capital Assets	<u><u>\$ 100,784,332</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, 2022, 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 28, 2022. That report included a qualified opinion on the extraclassroom activities fund 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) to determine 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 28, 2022

