

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS
June 30, 2021

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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified
Special Aid Fund	Unmodified
School Food Service Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Extraclassroom Activities Fund	Qualified
Scholarships Fund	Unmodified
Fiduciary Fund	Unmodified

Basis for Qualified Opinion on the Extraclassroom Activities Fund

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

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 receipts referred to in the “Basis for Qualified Opinion on the Extraclassroom Activities Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of the Syosset Central School District, as of June 30, 2021, 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 extraclassroom activities fund, and the fiduciary fund of the Syosset Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As described in Note 2 to the financial statements, “Changes in Accounting Principles,” the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, as of June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

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 pages 4 through 18 and 58 through 62, respectively, be presented to supplement the basic financial statements. Such information, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Syosset Central School District's basic financial statements. The other supplementary information on pages 63 through 66 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. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 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 13, 2021

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, 2021 in comparison with the year ended June 30, 2020, 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 2021 are as follows:

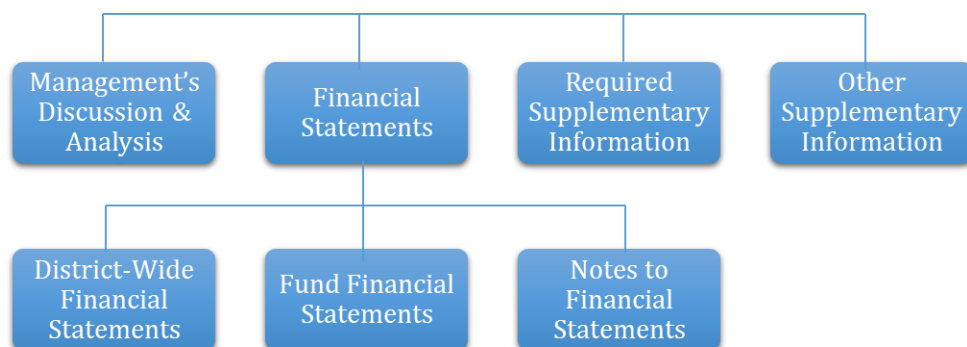
- The District's total net position was a deficit of \$241,322,795 in the district-wide financial statements at June 30, 2021, compared to a deficit of \$214,193,047 at June 30, 2020. The deficit increased by \$27,129,748 over the prior year due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's total net position at June 30, 2020 was restated and increased by \$382,009, which is due to the required implementation of GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$265,819,054. Of this amount, \$5,080,565 was offset by program charges for services and operating grants and contributions. General revenues of \$233,608,741 amount to 97.87% of total revenues.
- The District's general fund fund balance, as reflected in the fund financial statements was \$43,965,502 at June 30, 2021. This balance represents a \$2,792,466 decrease (5.97%) from the prior year 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. Nonspendable fund balance decreased by \$2,000, which represents the change in prepaids. Restricted fund balances decreased by \$822,415 due to the use of reserves, offset by the funding of reserves and interest allocated to the reserves. Assigned fund balance decreased \$2,188,883, as the District decreased the fund balance appropriated to fund the 2022 budget and the assignment for encumbrances. Unassigned fund balance increased by \$220,832 to \$9,886,401.
- 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. \$11,464,500 of the existing capital reserve was used for initial funding. The balance of \$34,345,500 to be obtained through issuing debt as authorized by the voters. The District has issued debt in the amount of \$30,180,000 and a total of \$38,672,390 has been expended as of June 30, 2021. On July 15, 2020, the District issued the remaining authorized debt of \$4,165,000.
- 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 \$8,321,787 has been expended as of June 30, 2021.
- 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 \$5,500,000 through June 30, 2021.

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

- The District's 2021 property tax levy of \$204,236,165 was a 1.70% increase over the 2020 tax levy. The District's property tax cap was 3.23%.
- 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 in the amount of \$222,165. The District applied for additional funding in the amount of \$696,180 allocated under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which awards were granted in July 2021.

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 supplementary 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 facilities.

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

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.

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, 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 a separate statement. 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, 2020 were adjusted as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*, which required the District to record activities in the Governmental Funds that had previously been recorded in the Fiduciary Funds. Consequently, the District now includes the agency fund activities in the general fund, and the extraclassroom activities, scholarships and permanent funds as separate governmental funds. The changes resulted in an increase in total net position. The following is a summary of these changes:

	As Restated June 30, 2020	As Reported June 30, 2020	Increase (Decrease)
Current and Other Assets	\$ 104,013,083	\$ 98,495,161	\$ 5,517,922
Current and Other Liabilities	33,287,187	28,151,274	5,135,913
Restricted Net Position	37,797,083	37,792,803	4,280
Unrestricted Net Position (Deficit)	(336,006,972)	(336,384,701)	377,729
Total Net Position (Deficit)	(214,193,047)	(214,575,056)	382,009

The District's total net position (deficit) increased by \$27,129,748 between fiscal year 2020 and 2021. The deficit increase is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	June 30, 2021	As Restated June 30, 2020	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 107,470,248	\$ 104,013,083	\$ 3,457,165	3.32 %
Capital Assets, Net	136,430,983	114,098,510	22,332,473	19.57 %
Net Pension Asset - Proportionate Share		16,384,076	(16,384,076)	(100.00)%
Total Assets	243,901,231	234,495,669	9,405,562	4.01 %
Deferred Outflows of Resources	203,580,590	139,688,148	63,892,442	45.74 %
Liabilities				
Current and Other Liabilities	32,340,212	33,287,187	(946,975)	(2.84)%
Long-Term Liabilities	72,596,572	53,205,856	19,390,716	36.44 %
Net Pension Liabilities - Proportionate Share	17,317,575	15,916,856	1,400,719	8.80 %
Total OPEB Liability	449,848,479	418,217,069	31,631,410	7.56 %
Total Liabilities	572,102,838	520,626,968	51,475,870	9.89 %

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

	June 30, 2021	As Restated June 30, 2020	Increase (Decrease)	Percentage Change
Deferred Inflows of Resources	<u>\$ 116,701,778</u>	<u>\$ 67,749,896</u>	<u>\$ 48,951,882</u>	72.25 %
Net Position (Deficit)				
Net Investment in Capital Assets	92,260,722	84,016,842	8,243,880	9.81 %
Restricted	36,980,398	37,797,083	(816,685)	(2.16)%
Unrestricted (Deficit)	<u>(370,563,915)</u>	<u>(336,006,972)</u>	<u>(34,556,943)</u>	10.28 %
Total Net Position (Deficit)	<u><u>\$ (241,322,795)</u></u>	<u><u>\$ (214,193,047)</u></u>	<u><u>\$ (27,129,748)</u></u>	12.67 %

The increase in current and other assets is primarily related to the increase in the overall cash position of the District.

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

Net pension asset – proportionate share represents the District's share of the New York State Teachers' Retirement System's collective net pension asset, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from an asset to a liability. 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, and the amount of deferred charges from the bond refunding that is being amortized over the remaining term of the bonds.

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

The increase in long-term liabilities is primarily the result of the issuance of bonds for authorized capital improvement projects.

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

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

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

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

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

The restricted amount relates to the District's reserves. This number increased over the prior year principally due to the transfer into the reserves.

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

B. Changes in Net Position

The June 30, 2020 revenues and expenses were increased, resulting from the implementation of GASB Statement No. 84, *Fiduciary Activities*, as follows:

	As Restated June 30, 2020	As Reported June 30, 2020	Increase (Decrease)
Charges for Services	\$ 2,846,383	\$ 2,080,769	\$ 765,614
Operating Grants & Contributions	2,531,577	2,531,537	40
Instruction Expenses	213,839,918	213,125,159	714,759

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, 2021 and 2020 is as follows:

	June 30, 2021	As Restated June 30, 2020	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 1,031,331	\$ 2,846,383	\$ (1,815,052)	(63.77)%
Operating Grants & Contributions	4,049,234	2,531,577	1,517,657	59.95 %
Capital Grants		249,671	(249,671)	100 %
General Revenues				
Property Taxes & STAR	204,226,277	200,737,235	3,489,042	1.74 %
State Sources	17,745,953	17,738,495	7,458	0.04 %
Other	11,636,511	12,882,841	(1,246,330)	(9.67)%
Total Revenues	<u>238,689,306</u>	<u>236,986,202</u>	<u>1,703,104</u>	0.72 %
Expenses				
General Support	35,883,105	32,209,003	3,674,102	11.41 %
Instruction	215,789,717	213,839,918	1,949,799	0.91 %
Pupil Transportation	10,531,172	8,748,211	1,782,961	20.38 %
Community Services	118,046	388,883	(270,837)	(69.64)%
Debt Service - Interest	1,726,588	1,392,990	333,598	23.95 %
Food Service Program	1,770,426	1,664,811	105,615	6.34 %
Total Expenses	<u>265,819,054</u>	<u>258,243,816</u>	<u>7,575,238</u>	2.93 %
Decrease in Net Position	<u>\$ (27,129,748)</u>	<u>\$ (21,257,614)</u>	<u>\$ (5,872,134)</u>	27.62 %

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

The District's net position decreased by \$27,129,748 and \$21,257,614 for the years ended June 30, 2021 and 2020, respectively.

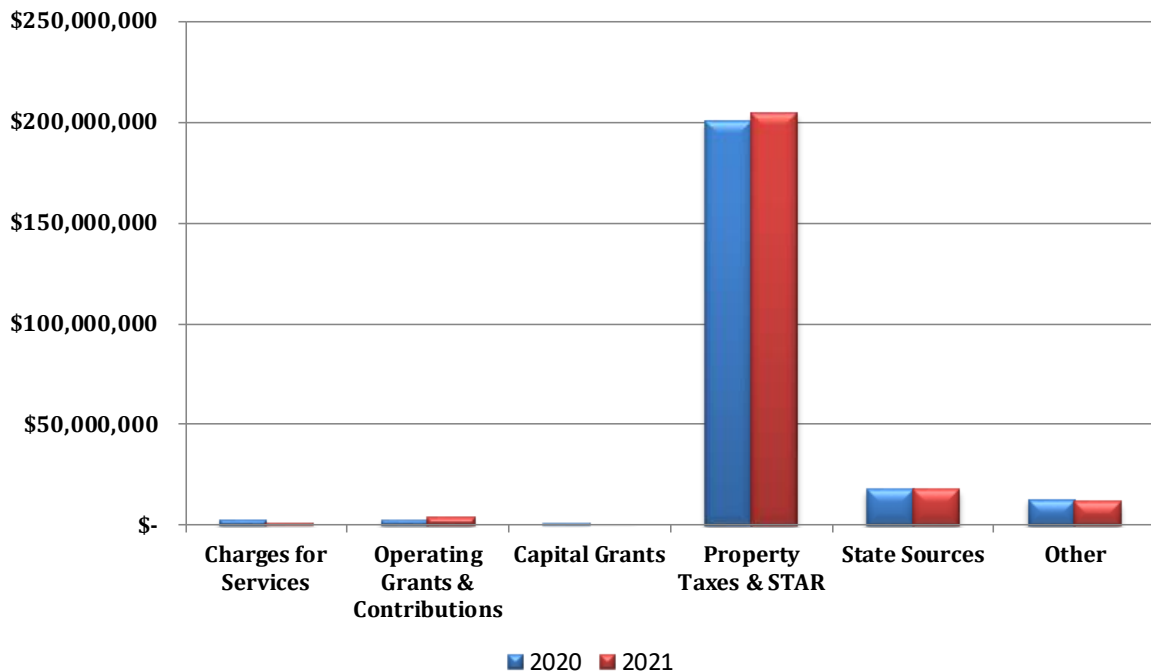
The District's revenues increased by \$1,703,104 or 0.72%. The major factors that contributed to the increase were:

- Property taxes and STAR revenues increased based on the 2020-21 voter-approved budget.
- The District's operating grants increased as a result of CARES Act funding for the food service program.

The District's total expenses for the year increased by \$7,575,238 or 2.93%. The increase in expense is primarily due to increases in instruction, general support, and pupil transportation, offset by a decrease in community services. The primary reason for the increases in instruction and general support is the impact of COVID-19 related expenses, as well as the net change in other postemployment benefits costs allocated. Pupil transportation expenses increased due to an increase 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., 85.6% and 84.7% of the total for the years 2021 and 2020, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 81.2% and 82.8% of the total for the years 2021 and 2020, respectively).

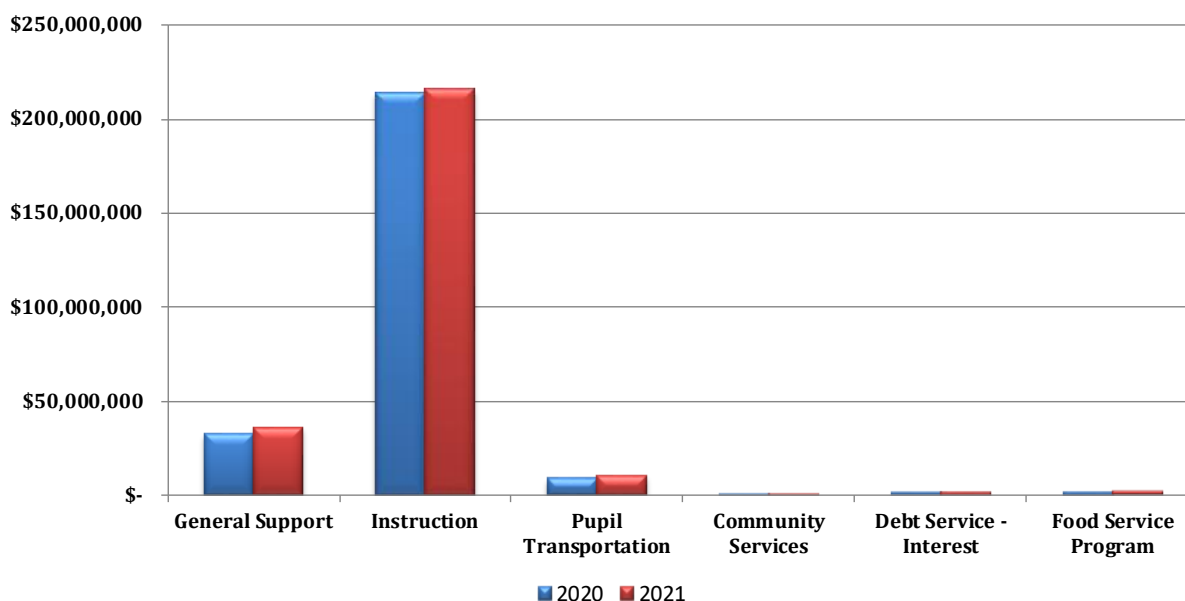
A graphic display of the distribution of revenues for the two years follows:



	Charges for Services	Operating Grants & Contributions	Capital Grants	Property Taxes & STAR	State Sources	Other
2020	1.2%	1.1%	0.1%	84.7%	7.5%	5.4%
2021	0.4%	1.7%	0.0%	85.6%	7.4%	4.9%

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
2020	12.5%	82.8%	3.4%	0.2%	0.5%	0.6%
2021	13.5%	81.2%	4.0%	0.0%	0.6%	0.7%

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of \$75,658,226, which is an increase of \$5,182,437 over the prior year. This increase is 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. The June 30, 2020 amounts were restated to include the extraclassroom activities, scholarships, and permanent funds, as a result of the implementation of GASB Statement No. 84. 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, 2021</u>	<u>As Restated June 30, 2020</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Nonspendable: Prepays	\$ 3,050	\$ 5,050	\$ (2,000)	(39.60)%
Restricted				
Workers' compensation	3,275,338	3,275,338	-	0.00 %
Unemployment insurance	735,664	737,238	(1,574)	(0.21)%
Retirement contribution				
Teachers' retirement system	5,817,238	4,213,043	1,604,195	38.08 %
Employees' retirement system	14,194,991	14,161,842	33,149	0.23 %
Insurance	314,474	313,740	734	0.23 %
Employee benefit accrued liability	3,374,308	3,466,195	(91,887)	(2.65)%
Capital	2,669,617	5,036,757	(2,367,140)	(47.00)%
Repairs	171,456	171,348	108	0.06 %
Assigned:				
Appropriated fund balance	2,813,547	4,967,274	(2,153,727)	(43.36)%
Unappropriated fund balance	709,418	744,574	(35,156)	(4.72)%
Unassigned: Fund balance	9,886,401	9,665,569	220,832	2.28 %
	<u>43,965,502</u>	<u>46,757,968</u>	<u>(2,792,466)</u>	(5.97)%
School Food Service Fund				
Nonspendable: Inventory	1,293	6,761	(5,468)	(80.88)%
Assigned: Unappropriated fund balance	195,322	94,089	101,233	107.59 %
	<u>196,615</u>	<u>100,850</u>	<u>95,765</u>	94.96 %
Debt Service Fund				
Restricted: Debt	940,479	672,357	268,122	39.88 %
Capital Projects Fund				
Restricted:				
Capital	5,486,551	5,744,945	(258,394)	(4.50)%
Unspent bond proceeds	19,054,739	13,698,332	5,356,407	39.10 %
Assigned: Unappropriated fund balance	5,683,758	3,119,328	2,564,430	82.21 %
	<u>30,225,048</u>	<u>22,562,605</u>	<u>7,662,443</u>	33.96 %
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	327,300	377,729	(50,429)	(13.35)%
Scholarships Fund				
Restricted: Scholarships	282	1,280	(998)	(77.97)%
Permanent Fund				
Nonspendable	3,000	3,000	-	0.00 %
 Total Fund Balance	 <u>\$ 75,658,226</u>	 <u>\$ 70,475,789</u>	 <u>\$ 5,182,437</u>	 7.35 %

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

A. General Fund

The net change in the general fund – fund balance is a decrease of \$2,792,466 compared to an increase of \$7,421,027 in 2020. This resulted from expenditures and other financing uses in excess of revenues and other financing sources.

The District's revenues and other financing sources increased by \$3,887,848 or 1.69%, as compared to the prior year. This increase is primarily attributable to the increases in property taxes and state sources, offset by decreases in STAR, use of money and property and miscellaneous revenues. The decrease in STAR is the result of changes in the eligibility requirements for property tax reduction. The decrease in use of money and property is due to a decrease in interest earnings. The decrease in miscellaneous revenue is the result of the \$1,000,000 donation received in the prior year.

Expenditures and other financing uses increased by \$14,101,341 or 6.32% over the prior year. This increase was primarily due to increases in general support (central service), instruction (teaching-regular school), and operating transfers out, offset by a decrease in community services. Increases in expenditures were impacted by COVID-19, general support (special items), and instruction (administration and improvements and programs for students with disabilities).

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

	Balance @ June 30, 2020	Use of Reserves	Interest	Funding	Balance @ June 30, 2021	Appropriated for June 30, 2022
Workers' compensation	\$ 3,275,338	\$ (729,005)	\$ 7,667	\$ 721,338	\$ 3,275,338	\$ 730,000
Unemployment insurance	737,238	(3,300)	1,726		735,664	50,000
Retirement contribution						
TRS	4,213,043		9,861	1,594,334	5,817,238	529,579
ERS	14,161,842	(3,000,000)	33,149	3,000,000	14,194,991	3,445,000
Insurance	313,740		734		314,474	
EBALR	3,466,195	(100,000)	8,113		3,374,308	100,000
Capital	5,036,757	(2,872,325)	5,185	500,000	2,669,617	
Repairs	171,348		108		171,456	
	<u>\$ 31,375,501</u>	<u>\$ (6,704,630)</u>	<u>\$ 66,543</u>	<u>\$ 5,815,672</u>	<u>\$ 30,553,086</u>	<u>\$ 4,854,579</u>

Additional detail regarding capital reserves can be found in Note 21 "Restricted for Capital Reserve."

B. School Food Service Fund

The net change in the school food service fund - fund balance is an increase of \$95,765, which was the operating profit of the food service program.

C. Debt Service Fund

The net change in the debt service fund – fund balance is an increase of \$268,122, primarily due to the premium recognized from the issuance of bonds and the timing of when payments on the new debt begin.

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

D. Capital Projects Fund

The net change in the capital projects fund – fund balance is an increase of \$7,662,443, due to issuance of bonds of \$24,150,000 and operating transfers in of \$7,344,347, which were offset by expenditures incurred during the year on capital projects of \$23,831,904.

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

	Balance @ June 30, 2020	Use of Reserves	Funding	Balance @ June 30, 2021
May 2014	\$ 3,744,945	\$ (27,871)	\$	\$ 3,717,074
May 2018	2,000,000	(2,000,000)		
June 2020		(1,102,848)	2,872,325	1,769,477
	<u>\$ 5,744,945</u>	<u>\$ (3,130,719)</u>	<u>\$ 2,872,325</u>	<u>\$ 5,486,551</u>

E. Extraclassroom Activities Fund

The net change in the extraclassroom activities fund – fund balance is a decrease of \$50,429, as a result of expenditures of \$241,372 in excess of revenues of \$190,943.

F. Scholarships Fund

The net change in the scholarships fund – fund balance is a decrease of \$998, as a result of scholarships awarded of \$1,000 in excess of interest income of \$2.

G. Permanent Fund

The permanent fund - fund balance consists of nonspendable scholarship funds.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's general fund adopted budget for the year ended June 30, 2021 was \$241,639,245. This amount was increased by encumbrances carried forward from the prior year in the amount of \$744,574, and budget revisions of \$2,876,325, for a total final budget of \$245,260,144.

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:

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

Opening, Unassigned Fund Balance	\$ 9,665,569
Revenues Over Budget	1,690,153
Expenditures and Encumbrances Under Budget	7,272,136
Change in Nonspendable Fund Balance	2,000
Unused Appropriated Reserves	(47,695)
Allocation to Reserves	(5,882,215)
Appropriated to Fund the June 30, 2022 Budget	<u>(2,813,547)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 9,886,401</u></u>

Opening, Unassigned Fund Balance

The \$9,665,569 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned.

Revenues Over Budget

The 2020-2021 final budget for revenues was \$232,795,971. Actual revenues and other sources recognized for the year were \$234,486,124. The excess of actual revenues over estimated or budgeted revenues was \$1,690,153, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. 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 2020-2021 final budget for expenditures was \$245,260,144. Actual expenditures and other uses as of June 30, 2021 were \$237,278,590 and outstanding encumbrances were \$709,418. Combined, the expenditures plus encumbrances for 2020-2021 were \$237,988,008. The final budget variance was \$7,272,136, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Change in Nonspendable Fund Balance

The District's prepaid expenditures was \$3,050 at June 30, 2021. The resulting balance sheet asset (prepaids) cannot be spent because it is not in spendable form, meaning it will not be converted to cash. Accordingly, an amount equal of fund balance is classified as Nonspendable. The decrease in Nonspendable fund balance increases unassigned fund balance.

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

Unused Appropriated Reserves

In the 2020-2021 budget, \$3,880,000 of reserves was appropriated to reduce the tax levy. Due to lower than anticipated reserve expenditures, \$47,695 from the workers' compensation reserve and unemployment 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 \$2,813,547 of the available June 30, 2021 unassigned fund balance to partially fund the 2021-2022 approved operating budget. As such, the June 30, 2021 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, 2021 was \$9,886,401. This amount equals 4.00% of the 2021-2022 budget and is at the statutory limit.

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

A. Capital Assets

At June 30, 2021, 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 \$27,052,508 in excess of depreciation expense of \$4,720,035 recorded for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020 is as follows:

	June 30, 2021	June 30, 2020	Increase (Decrease)
Land	\$ 1,254,281	\$ 1,254,281	\$ -
Construction work in progress	39,637,986	30,221,269	9,416,717
Buildings and improvements	80,253,234	76,685,976	3,567,258
Land improvements	7,471,414	142,401	7,329,013
Furniture, equipment and vehicles	7,814,068	5,794,583	2,019,485
	<u> </u>	<u> </u>	<u> </u>
Capital assets, net	<u>\$ 136,430,983</u>	<u>\$ 114,098,510</u>	<u>\$ 22,332,473</u>

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

B. Debt Administration

At June 30, 2021, the District had total bonds payable of \$63,225,000. The bonds were issued for school building improvements and for refunding of bonds originally issued for school building improvements, to generate savings. The increase in outstanding debt represents the issuance of new bonds offset by principal payments. A summary of the outstanding debt at June 30, 2021 and 2020 is as follows:

Issue Date	Interest Rate	June 30, 2021	June 30, 2020	Increase (Decrease)
2001	4.0-5.0 %	\$ 10,000	\$ 20,000	\$ (10,000)
2002	4.1-5.0 %	20,000	40,000	(20,000)
2013	2.0-5.0 %	3,840,000	5,085,000	(1,245,000)
2013	2.0-5.0 %	4,130,000	4,835,000	(705,000)
2015	2.0-5.0 %	850,000	980,000	(130,000)
2017	5.00%	1,355,000	2,640,000	(1,285,000)
2019	2.0-2.25%	28,870,000	30,180,000	(1,310,000)
2020	2.00%	24,150,000		24,150,000
		<u>\$ 63,225,000</u>	<u>\$ 43,780,000</u>	<u>\$ 19,445,000</u>

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa1.

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, 2021 and 2020 is as follows:

	June 30, 2021	June 30, 2020	Increase (Decrease)
Compensated absences payable	\$ 5,335,985	\$ 5,961,850	\$ (625,865)
Workers' compensation liabilities	2,861,480	2,735,757	125,723
Net pension liabilities - proportionate share	17,317,575	15,916,856	1,400,719
Total OPEB liability	<u>449,848,479</u>	<u>418,217,069</u>	<u>31,631,410</u>
	<u>\$ 475,363,519</u>	<u>\$ 442,831,532</u>	<u>\$ 32,531,987</u>

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

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 18, 2021, for the year ending June 30, 2022 is \$247,160,025. This is an increase of \$5,520,780 or 2.28% over the previous year's budget. The increase is principally in the instructional program and maintenance operations areas of the budget.

The District budgeted revenues other than property taxes and STAR at a \$2,646,797 increase over the prior year's estimate, which is principally due to estimated increases in state aid and PILOT revenue, offset by a decrease in revenue from the debt service fund. The assigned, appropriated fund balance applied to the budget in the amount of \$2,813,547 (\$900,000 for general purpose and \$1,913,547 for capital work) is a \$2,153,727 decrease from the previous year. Additionally, the District has elected to appropriate \$4,854,579 of reserves towards the next year's budget, which is an increase of \$974,579 over the previous year. A property tax increase of \$4,053,131 (1.98%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

B. Future Budgets

The property tax cap, uncertainty in state aid and federal funding, as well as the continuing effect of the COVID-19 pandemic, will 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 2021-2022 is 2.31%. The District's 2021-2022 property tax increase of 1.98% was less than the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

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

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

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

ASSETS

Cash	
Unrestricted	\$ 41,756,865
Restricted	56,038,137
Receivables	
Accounts receivable	32,755
Taxes receivable	5,019,203
Due from state and federal	4,222,340
Due from other governments	396,605
Prepays	3,050
Inventory	1,293
Capital assets:	
Not being depreciated	40,892,267
Being depreciated, net of accumulated depreciation	95,538,716
Total Assets	<u>243,901,231</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred charges from advance refunding, net	3,887
Pensions	73,425,667
Other postemployment benefits	130,151,036
Total Deferred Outflows of Resources	<u>203,580,590</u>

LIABILITIES

Payables	
Accounts payable	11,876,750
Accrued liabilities	1,985,215
Due to fiduciary funds	169,102
Due to other governments	465,149
Due to teachers' retirement system	10,843,723
Due to employees' retirement system	926,637
Other liabilities	5,855,408
Unearned credits	
Collections in advance	218,228
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	6,308,707
Compensated absences payable	100,000
Due and payable after one year	
Bonds payable, net	58,090,400
Compensated absences payable	5,235,985
Workers' compensation liabilities	2,861,480
Net pension liabilities - proportionate share	17,317,575
Total other postemployment benefits liability	449,848,479
Total Liabilities	<u>572,102,838</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	26,426,544
Other postemployment benefits	90,275,234
Total Deferred Inflows of Resources	<u>116,701,778</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>92,260,722</u>
Restricted:	
Workers' compensation	3,275,338
Unemployment insurance	735,664
Retirement contribution	
Teachers' retirement system	5,817,238
Employees' retirement system	14,194,991
Insurance	314,474
Employee benefit accrued liability	3,374,308
Capital	8,156,168
Repairs	171,456
Debt	940,479
Scholarships	282
	<u>36,980,398</u>
Unrestricted (Deficit)	<u>(370,563,915)</u>
Total Net Position (Deficit)	<u>\$ (241,322,795)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues		Net (Expense)
		Charges for	Operating Grants	Revenue and
	Expenses	Services	& Contributions	Changes in
				Net Position
FUNCTIONS/PROGRAMS				
General support	\$ 35,883,105	\$	\$	\$ (35,883,105)
Instruction	215,789,717	928,782	2,306,473	(212,554,462)
Pupil transportation	10,531,172			(10,531,172)
Community services	118,046			(118,046)
Debt service - interest	1,726,588			(1,726,588)
Food service program	1,770,426	102,549	1,742,761	74,884
Total Functions and Programs	<u>\$ 265,819,054</u>	<u>\$ 1,031,331</u>	<u>\$ 4,049,234</u>	<u>(260,738,489)</u>
GENERAL REVENUES				
Real property taxes				196,806,975
Other tax items				16,677,952
Use of money and property				116,001
Sale of property and compensation for loss				113,871
Miscellaneous				1,190,528
State sources				17,745,953
Intergovernmental revenue				925,600
Medicaid reimbursement				31,861
Total General Revenues				<u>233,608,741</u>
Change in Net Position				(27,129,748)
Total Net Position (Deficit) - Beginning of Year, as Restated				<u>(214,193,047)</u>
Total Net Position (Deficit) - End of Year				<u>\$ (241,322,795)</u>
as Restated				

SYOSSET CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
ASSETS									
Cash									
Unrestricted	\$ 28,921,814	\$ 2	\$ 80,167	\$	\$ 12,424,745	\$ 330,137	\$	\$	\$ 41,756,865
Restricted	30,553,086			940,479	24,541,290		282	3,000	56,038,137
Receivables									
Accounts receivable	32,755								32,755
Taxes receivable	5,019,203								5,019,203
Due from other funds	1,209,408		194,246						1,403,654
Due from state and federal	2,584,012	1,299,011	339,317						4,222,340
Due from other governments	396,605								396,605
Prepays	3,050								3,050
Inventory			1,293						1,293
Total Assets	<u>\$ 68,719,933</u>	<u>\$ 1,299,013</u>	<u>\$ 615,023</u>	<u>\$ 940,479</u>	<u>\$ 36,966,035</u>	<u>\$ 330,137</u>	<u>\$ 282</u>	<u>\$ 3,000</u>	<u>\$108,873,902</u>
LIABILITIES									
Payables									
Accounts payable	\$ 4,877,777	\$ 92,181	\$ 175,378	\$	\$ 6,731,414	\$			\$ 11,876,750
Accrued liabilities	1,370,995	6,997	8,262			2,837			1,389,091
Due to other funds	363,348	1,199,835			9,573				1,572,756
Due to other governments	448,609		16,540						465,149
Due to teachers' retirement system	10,843,723								10,843,723
Due to employees' retirement system	926,637								926,637
Other liabilities	5,855,408								5,855,408
Unearned credits									
Collections in advance			218,228						218,228
Total Liabilities	<u>24,686,497</u>	<u>1,299,013</u>	<u>418,408</u>	<u>-</u>	<u>6,740,987</u>	<u>2,837</u>	<u>-</u>	<u>-</u>	<u>33,147,742</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	67,934								67,934
FUND BALANCES									
Nonspendable:									
Prepays	3,050								3,050
Inventory			1,293						1,293
Scholarships								3,000	3,000
Restricted:									
Workers' compensation	3,275,338								3,275,338
Unemployment insurance	735,664								735,664
Retirement contribution									
Teachers' retirement system	5,817,238								5,817,238
Employees' retirement system	14,194,991								14,194,991
Insurance	314,474								314,474
Employee benefit accrued liability	3,374,308								3,374,308
Capital	2,669,617				5,486,551				8,156,168
Repairs	171,456								171,456
Debt				940,479					940,479
Scholarships							282		282
Unspent bond proceeds					19,054,739				19,054,739
Assigned:									
Appropriated fund balance	2,813,547								2,813,547
Unappropriated fund balance	709,418		195,322		5,683,758	327,300			6,915,798
Unassigned: Fund balance	9,886,401								9,886,401
Total Fund Balances	<u>43,965,502</u>	<u>-</u>	<u>196,615</u>	<u>940,479</u>	<u>30,225,048</u>	<u>327,300</u>	<u>282</u>	<u>3,000</u>	<u>75,658,226</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 68,719,933</u>	<u>\$ 1,299,013</u>	<u>\$ 615,023</u>	<u>\$ 940,479</u>	<u>\$ 36,966,035</u>	<u>\$ 330,137</u>	<u>\$ 282</u>	<u>\$ 3,000</u>	<u>\$108,873,902</u>

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total Governmental Fund Balances	\$	75,658,226
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The costs of building and acquiring capital assets (land, construction in progress, buildings and improvements, land improvements, and furniture, equipment and vehicles) 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	\$ 218,376,491		
Less: Accumulated depreciation	<u>(81,945,508)</u>		136,430,983

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

Deferred outflows of resources	73,425,667		
Net pension liability - teachers' retirement system	(17,256,861)		
Net pension liability - employees' retirement system	(60,714)		
Deferred inflows of resources	<u>(26,426,544)</u>		29,681,548

Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.

Deferred charges on advance refunding, net			3,887
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Total other postemployment benefits liability and 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	130,151,036		
Total other postemployment benefits liability	(449,848,479)		
Deferred inflows of resources	<u>(90,275,234)</u>		(409,972,677)

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

67,934

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 bonds payable	(596,124)		
Bonds payable, net	(64,399,107)		
Compensated absences payable	(5,335,985)		
Workers' compensation liabilities	<u>(2,861,480)</u>		(73,192,696)

Total Net Position (Deficit)	\$	<u>(241,322,795)</u>
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SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
REVENUES									
Real property taxes	\$ 196,806,975	\$	\$	\$	\$	\$	\$	\$	\$ 196,806,975
Other tax items	16,677,952								16,677,952
Charges for services	737,839								737,839
Use of money and property	115,559		135	307			2		116,003
Sale of property and compensation for loss	113,871								113,871
Miscellaneous	1,190,528		140			190,943			1,381,611
Intergovernmental revenue				925,600					925,600
State sources	18,150,038	402,739	60,203						18,612,980
Medicaid reimbursement	31,861								31,861
Federal sources	239,886	1,663,846	1,682,558						3,586,290
Sales			102,409						102,409
Total Revenues	234,064,509	2,066,585	1,845,445	925,907	-	190,943	2	-	239,093,391
EXPENDITURES									
General support	28,519,171								28,519,171
Instruction	132,023,381	2,393,511				241,372	1,000		134,659,264
Pupil transportation	10,155,660								10,155,660
Community service	76,687								76,687
Employee benefits	53,468,531								53,468,531
Debt service									
Principal				4,705,000					4,705,000
Interest	415,556			1,168,931					1,584,487
Food service program			1,749,680						1,749,680
Capital outlay					23,831,904				23,831,904
Total Expenditures	224,658,986	2,393,511	1,749,680	5,873,931	23,831,904	241,372	1,000	-	258,750,384
Excess (Deficiency) of Revenues Over Expenditures	9,405,523	(326,926)	95,765	(4,948,024)	(23,831,904)	(50,429)	(998)	-	(19,656,993)
OTHER FINANCING SOURCES AND (USES)									
Proceeds of debt					24,150,000				24,150,000
Premium on obligation				689,430					689,430
Operating transfers in	421,615	326,926		4,948,331	7,344,347				13,041,219
Operating transfers (out)	(12,619,604)			(421,615)					(13,041,219)
Total Other Financing Sources and (Uses)	(12,197,989)	326,926	-	5,216,146	31,494,347	-	-	-	24,839,430
Net Change in Fund Balances	(2,792,466)	-	95,765	268,122	7,662,443	(50,429)	(998)	-	5,182,437
Fund Balances - Beginning of Year, as Restated	46,757,968		100,850	672,357	22,562,605	377,729	1,280	3,000	70,475,789
End of Year	\$ 43,965,502	\$ -	\$ 196,615	\$ 940,479	\$ 30,225,048	\$ 327,300	\$ 282	\$ 3,000	\$ 75,658,226

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, 2021

Net Change in Fund Balances \$ 5,182,437

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.

\$ (404,085)

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 625,865

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 (125,723)

96,057

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 expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation in the period.

Capital outlays and other additions 27,052,508
Depreciation expense (4,720,035)

22,332,473

Long-Term Debt Transactions Differences

Proceeds from the issuance of bonds and premiums are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities. (24,839,430)

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. 232,111

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 4,705,000

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 increased from June 30, 2020 to June 30, 2021.

(374,212)

(20,276,531)

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 (13,505,854)
Employees' retirement system 1,186,577
Other postemployment benefits (22,144,907)

(34,464,184)

Change in Net Position (Deficit) of Governmental Activities \$ (27,129,748)

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2021

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 7,436
Due from governmental funds	<u>169,102</u>
Total Assets	<u>176,538</u>
LIABILITIES	
Due to other governments	169,281
Other liabilities	<u>7,257</u>
Total Liabilities	<u>176,538</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, 2021

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected for the Library	<u>\$ 7,548,485</u>
DEDUCTIONS	
Real property taxes payments to the Library	<u>7,548,485</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 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 include operating-specific and discretionary (either operating or capital) grants, 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.

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.

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

E. Real Property Taxes

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.

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 with annual increases of no more than 2% in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received \$5,155,427 in LIPA PILOT revenue during the 2020-2021 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.

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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Purchases of inventoriable 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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

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 three items that qualify for reporting in this category. First is the unamortized amount of deferred charges from a prior year's refunding of bonds that is being amortized as a component of interest expense on a weighted average basis through June 30, 2022. The second item is related to pensions and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item is related to OPEB and represents the change in the total other postemployment benefits liability not included in OPEB expense.

O. Short-Term Debt

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

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

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as prepaid lunch amounts. 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.

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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

S. 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 changes in the collective net pension asset or liability 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.

T. 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) 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:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. This statement provides guidance for identifying fiduciary activities, primarily based on whether the assets associated with the activities are controlled by the government and the government does not have administrative involvement with the assets. As a result, agency and private purpose trust activities previously reported within the fiduciary funds are now reported within the governmental funds.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 standards issued, but 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, 2022	GASB No. 87 - <i>Leases</i>

GASB Statement No. 87 will change the reporting of leases in the district-wide financial statements. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of financial resources.

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

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

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

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

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 expense on those items as recorded in the Statement of Activities.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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:

Transfer to capital projects fund for ventilation	
system projects funded by capital reserve	\$ 2,872,325
Contingent expenditures funded by donations	<u>4,000</u>
	<u>\$ 2,876,325</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Budgets are adopted annually on a basis consistent with GAAP.

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

B. Encumbrances

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

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

The District's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged 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, 2021, the District was billed \$13,087,130 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,325,055. 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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

8. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2021 consisted of:

General Fund	
New York State - excess cost aid	\$ 515,790
BOCES aid	1,906,663
New York State - NYS Parks	1,628
Federal - CARES - ESSER	151,976
Federal - CARES - GEER	7,955
	<u>2,584,012</u>
 Special Aid Fund	
Federal and state grants	1,299,011
 School Food Service Fund	
Federal and state food service program reimbursements	<u>339,317</u>
	<u><u>\$ 4,222,340</u></u>

District management expects these amounts to be fully collectible.

The general fund receivable includes \$67,934 of unavailable revenues, which are included in deferred inflows of resources on the balance sheet.

9. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2021 consisted of:

General Fund	
PILOT payments	\$ 158,566
Charges for services	<u>238,039</u>
	<u><u>\$ 396,605</u></u>

District management expects these amounts to be fully collectible.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

10. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,254,281	\$	\$	\$ 1,254,281
Construction work in progress	30,221,269	23,372,831	(13,956,114)	39,637,986
Total capital assets not being depreciated	31,475,550	23,372,831	(13,956,114)	40,892,267
Capital assets being depreciated:				
Buildings and improvements	142,698,458	6,880,387		149,578,845
Land improvements	3,516,170	7,534,800		11,050,970
Furniture, equipment and vehicles	13,875,961	3,220,604	(242,156)	16,854,409
Total capital assets being depreciated	160,090,589	17,635,791	(242,156)	177,484,224
Less accumulated depreciation for:				
Buildings and improvements	66,012,482	3,313,129		69,325,611
Land improvements	3,373,769	205,787		3,579,556
Furniture, equipment and vehicles	8,081,378	1,201,119	(242,156)	9,040,341
Total accumulated depreciation	77,467,629	4,720,035	(242,156)	81,945,508
Total capital assets, being depreciated, net	82,622,960	12,915,756	-	95,538,716
Capital assets, net	\$ 114,098,510	\$ 36,288,587	\$ (13,956,114)	\$ 136,430,983

Depreciation expense was charged to governmental functions as follows:

General support	\$ 592,524
Instruction	3,874,239
Pupil transportation	210,997
Food service program	42,275
Total depreciation expense	\$ 4,720,035

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2021 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 1,209,408	\$ 363,348	\$ 421,615	\$ 12,619,604
Special Aid Fund		1,199,835	326,926	
School Food Service Fund	194,246			
Debt Service Fund			4,948,331	421,615
Capital Projects Fund		9,573	7,344,347	
Total Governmental Funds	1,403,654	1,572,756	\$ 13,041,219	\$ 13,041,219
Custodial Fund	169,102			
Total	\$ 1,572,756	\$ 1,572,756		

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 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 \$1,767,274 per the 2020-2021 operating budget and \$2,872,325 per the Board approved resolution for emergency ventilation repair and replacement projects.

12. SHORT-TERM DEBT

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

	Maturity	Stated Interest Rate	Balance June 30, 2020	Issued	Redeemed	Balance June 30, 2021
TAN	6/25/2021	2.00%	\$ -	\$ 22,000,000	\$ (22,000,000)	\$ -

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

Interest on short-term debt for the year was \$415,556. The District received a premium of \$333,300, which is included in miscellaneous revenue in the general fund. The net effective interest rate was 0.3959%.

13. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension and other postemployment benefits liabilities, for the year are summarized below:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 43,780,000	\$ 24,150,000	\$ (4,705,000)	\$ 63,225,000	\$ 6,105,000
Add: Premiums on bonds	728,249	689,430	(243,572)	1,174,107	203,707
	<u>44,508,249</u>	<u>24,839,430</u>	<u>(4,948,572)</u>	<u>64,399,107</u>	<u>6,308,707</u>
Other long-term liabilities:					
Compensated absences	5,961,850		(625,865)	5,335,985	100,000
Workers' compensation	2,735,757	852,728	(727,005)	2,861,480	
	<u>8,697,607</u>	<u>852,728</u>	<u>(1,352,870)</u>	<u>8,197,465</u>	<u>100,000</u>
	<u>\$ 53,205,856</u>	<u>\$ 25,692,158</u>	<u>\$ (6,301,442)</u>	<u>\$ 72,596,572</u>	<u>\$ 6,408,707</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, 2021
Serial bonds	7/01	7/2021	4.0-5.0 %	\$ 10,000
Serial bonds	7/02	7/2021	4.1-5.0 %	20,000
Serial bonds (refunding)	10/13	12/2025	2.0-5.0 %	4,130,000
Serial bonds (refunding)	10/13	7/2025	2.0-5.0 %	3,840,000
Serial bonds (refunding)	5/15	7/2026	2.0-5.0 %	850,000
Serial bonds (refunding)	11/17	7/2021	5.00%	1,355,000
Serial bonds	9/19	12/2038	2.0-2.25%	28,870,000
Serial bonds	7/20	1/2036	2.00%	24,150,000
				<u>\$ 63,225,000</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 6,105,000	\$ 1,693,281	\$ 7,798,281
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 - 2031	16,205,000	3,155,744	19,360,744
2032 - 2036	17,390,000	1,473,644	18,863,644
2037 - 2039	5,415,000	180,053	5,595,053
Total	<u>\$ 63,225,000</u>	<u>\$ 10,722,416</u>	<u>\$ 73,947,416</u>

C. Amortization of Deferred Amounts

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

Year Ending June 30,	Amortization of Deferred Charges	Amortization of Premium	Interest Expense Increase / (Decrease)
2022	\$ 3,887	\$ (203,707)	\$ (199,820)
2023		(179,978)	(179,978)
2024		(175,239)	(175,239)
2025		(170,418)	(170,418)
2026		(165,562)	(165,562)
2027 - 2031		(208,106)	(208,106)
2032 - 2036		(71,097)	(71,097)
Total	<u>\$ 3,887</u>	<u>\$ (1,174,107)</u>	<u>\$ (1,170,220)</u>

D. Interest Expense

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

Interest paid	\$ 1,168,931
Less interest accrued in the prior year	(221,912)
Plus interest accrued in the current year	596,124
Less amortization of deferred amounts	<u>(232,111)</u>
Total interest expense on long-term debt	<u>\$ 1,311,032</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. 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, 2021, the Library paid \$925,600 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, public employee retirement systems. The systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

B. Provisions and Administration

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the 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, NY 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, NY 12244.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 8.86% of covered payroll for the TRS' fiscal year ended June 30, 2020. The District's average contribution rate was 14% of covered payroll for the ERS' fiscal year ended March 31, 2021.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2021 was \$10,077,398 for TRS at the contribution rate of 9.53% and \$3,075,985 for ERS at an average contribution rate of 13.92%.

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

At June 30, 2021, 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, 2020, for TRS and March 31, 2021 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, 2020	March 31, 2021
District's proportionate share of the net pension asset/(liability)	\$ (17,256,861)	\$ (60,714)
District's portion of the Plan's total net pension asset/(liability)	0.624509%	0.0609742%
Change in proportion since the prior measurement date	(0.006131)	0.0008665

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$23,589,228 for TRS and \$1,865,177 for ERS. At June 30, 2021, 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	\$ 15,120,464	\$ 741,488	\$ 884,381	\$
Changes of assumptions	21,825,913	11,163,427	7,779,798	210,546
Net difference between projected and actual earnings on pension plan investments	11,270,243			17,440,762
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,290,628	1,009,469	54,160	56,897
District contributions subsequent to the measurement date	10,077,398	926,637		
Total	<u>\$ 59,584,646</u>	<u>\$ 13,841,021</u>	<u>\$ 8,718,339</u>	<u>\$ 17,708,205</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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	TRS	ERS
2022	\$ 7,077,916	\$ (670,048)
2023	13,925,866	(109,037)
2024	11,414,957	(759,735)
2025	7,083,923	(3,255,001)
2026	424,817	
Thereafter	861,430	
	<u>\$ 40,788,909</u>	<u>\$ (4,793,821)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Inflation	2.20%	2.70%
Salary increases	1.90-4.72%	4.40%
Investment rate of return (net of investment expense, including inflation)	7.10%	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-2019, 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.

For TRS, the actuarial assumptions were based on the results of an actuarial experience study for the period 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.

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.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Rate of Return	Target Allocation	Long-term Expected Rate of Return
Measurement date		June 30, 2020		March 31, 2021
Asset type				
Domestic equity	33.0%	7.10%	32.0%	4.05%
International equity	16.0%	7.70%	15.0%	6.30%
Global equity	4.0%	7.40%		
Real estate	11.0%	6.80%	9.0%	4.95%
Private equities	8.0%	10.40%	10.0%	6.75%
Alternative investments			10.0%	3.63-5.95%
Domestic fixed income securities	16.0%	1.80%		
Global fixed income securities	2.0%	1.00%		
High-yield fixed income securities	1.0%	3.90%		
Bonds and mortgages			23.0%	0.00%
Private debt	1.0%	5.20%		
Real estate debt	7.0%	3.60%		
Cash and equivalents	1.0%	0.70%		
Cash			1.0%	0.50%
	<u>100.0%</u>		<u>100.0%</u>	

Real rates of return are net of a long-term inflation assumption of 2.2% for TRS and 2.0% for ERS.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% for TRS and 5.90% for ERS (the discount rate used by the ERS at the prior year's measurement date of March 31, 2020, was 6.80%). 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.

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 7.10% 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 (6.10% for TRS and 4.90% for ERS) or 1 percentage point higher (8.10% for TRS and 6.90% for ERS) than the current rate:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
TRIS			
District's proportionate share of the net pension asset (liability)	<u>\$ (109,005,648)</u>	<u>\$ (17,256,861)</u>	<u>\$ 59,743,621</u>
	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
District's proportionate share of the net pension asset (liability)	<u>\$ (16,851,979)</u>	<u>\$ (60,714)</u>	<u>\$ 15,424,762</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:

	TRIS	ERS
	<i>(Dollars in Thousands)</i>	
Measurement date	June 30, 2020	March 31, 2021
Employers' total pension liability	\$ (123,242,776)	\$ (220,680,157)
Plan fiduciary net position	<u>120,479,505</u>	<u>220,580,583</u>
Employers' net pension liability	<u>\$ (2,763,271)</u>	<u>\$ (99,574)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	97.76%	99.95%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021, are paid to the system in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021, represent employer and employee contributions for the fiscal year ended June 30, 2021, 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, 2021 amounted to \$10,077,398 of employer contributions and \$766,325 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2021, represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$926,637 of employer contributions. Employee contributions are remitted monthly.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on contractual agreements. Contributions made by the District and employees for the year ended June 30, 2021, totaled \$20,000 and \$5,810,067, 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, 2021, totaled \$808,319.

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 June 30, 2021, 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>

B. Total OPEB Liability

The District's total OPEB liability of \$449,848,479 was measured as of June 30, 2021, 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:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inflation	2.60%
Salary increases	2.60% average, including inflation
Discount rate	2.16%
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, 2021 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, 2020	<u>\$ 418,217,069</u>
Changes for the year	
Service cost	14,228,085
Interest	9,455,937
Changes of benefit terms	-
Differences between expected and actual experience	(63,063,280)
Changes in assumptions or other inputs	80,210,319
Benefit payments	<u>(9,199,651)</u>
	<u>31,631,410</u>
Balance at June 30, 2021	<u><u>\$ 449,848,479</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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 (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

OPEB	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	<u>\$ (537,567,116)</u>	<u>\$ (449,848,479)</u>	<u>\$ (380,653,764)</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>\$ (377,881,868)</u>	<u>\$ (449,848,479)</u>	<u>\$ (545,048,460)</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$31,344,558. At June 30, 2021, 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	\$ 15,798,613	\$ 54,491,242
Changes of assumptions or other inputs	<u>114,352,423</u>	<u>35,783,992</u>
Total	<u>\$ 130,151,036</u>	<u>\$ 90,275,234</u>

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
2022	\$ 7,660,536
2023	7,660,536
2024	7,660,536
2025	7,738,530
2026	7,138,363
Thereafter	<u>2,017,301</u>
	<u>\$ 39,875,802</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, do not include an amount for claims which were incurred on or before year-end but not reported (IBNR). Claims activity is summarized below:

	<u>2020</u>	<u>2021</u>
Unpaid claims at beginning of year	\$ 2,026,929	\$ 2,735,757
Incurred claims and claim adjustment expenses	1,398,790	852,728
Claim payments	<u>(689,962)</u>	<u>(727,005)</u>
Unpaid claims at year end	<u>\$ 2,735,757</u>	<u>\$ 2,861,480</u>

At June 30, 2021, the District had \$3,275,338 of funds in the workers' compensation reserve.

18. RESTRICTED FUND BALANCE - APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2021 restricted fund balances, to fund the budget for the year ending June 30, 2022:

Workers' Compensation	\$ 730,000
Unemployment Insurance	50,000
Retirement Contribution	
Teachers' Retirement System	529,579
Employees' Retirement System	3,445,000
Employee Benefit Accrued Liability	<u>100,000</u>
	<u>\$ 4,854,579</u>

19. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$2,813,547 has been approved to reduce taxes for the year ending June 30, 2022.

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Since Inception	\$ 20,000,000	\$ 2,000,000	\$ 5,500,000	\$ 27,500,000
Interest Earnings Since Inception	146,809	25,046	5,099	176,954
Use of Reserve Since Inception	<u>(20,135,012)</u>	<u>(2,000,000)</u>	<u>(2,872,325)</u>	<u>(25,007,337)</u>
Total General Fund	<u>11,797</u>	<u>25,046</u>	<u>2,632,774</u>	<u>2,669,617</u>
Capital Projects Fund				
Funding Provided Since Inception	20,135,012	2,000,000	2,872,325	25,007,337
Use of Reserve Since Inception	<u>(16,417,938)</u>	<u>(2,000,000)</u>	<u>(1,102,848)</u>	<u>(19,520,786)</u>
Total Capital Projects Fund	<u>3,717,074</u>	<u>-</u>	<u>1,769,477</u>	<u>5,486,551</u>
Balance as of June 30, 2021	<u>\$ 3,728,871</u>	<u>\$ 25,046</u>	<u>\$ 4,402,251</u>	<u>\$ 8,156,168</u>

21. RESTATEMENT OF FUND BALANCE AND NET POSITION

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, which resulted in an increase of \$382,009 in fund balance of the governmental funds, as well as the Statement of Net Position. The District's fund balance and total net position (deficit) have been restated as follows:

	General Fund	Extraclassroom Activities Fund	Scholarships Fund	Permanent	Statement of Net Position
Fund Balance/Net Position (Deficit)					
Beginning of Year, as Reported	\$ 46,757,968	\$	\$	\$	\$ (214,575,056)
<i>Assets</i>					
Cash	<u>5,135,913</u>	<u>377,729</u>	<u>1,280</u>	<u>3,000</u>	<u>5,517,922</u>
<i>Liabilities</i>					
Due to fiduciary fund	(2,542,720)				(2,542,720)
Other liabilities	<u>7,678,633</u>				<u>7,678,633</u>
	<u>5,135,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,135,913</u>
<i>Fund Balance/Net Position (Deficit)</i>					
Restricted			1,280	3,000	4,280
Assigned, unappropriated		377,729			
Unrestricted					<u>377,729</u>
	<u>-</u>	<u>377,729</u>	<u>1,280</u>	<u>3,000</u>	<u>382,009</u>
Fund Balance/Net Position (Deficit)					
Beginning of Year, as Restated	<u>\$ 46,757,968</u>	<u>\$ 377,729</u>	<u>\$ 1,280</u>	<u>\$ 3,000</u>	<u>\$ (214,193,047)</u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

22. TAX ABATEMENTS

The Nassau County Industrial Development Agency and the Town of Oyster Bay, enter into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced \$7,493,002. The District received payment in lieu of taxes (PILOT) payments totaling \$3,881,141.

23. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2021, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	
Capital Projects	<u>\$ 25,526,539</u>
Assigned: Unappropriated Fund Balance:	
General Fund	
General support	366,087
Instruction	<u>343,331</u>
	709,418
Capital Projects Fund	
Capital Projects	<u>1,471,281</u>
	<u><u>\$ 27,707,238</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.

D. BOCES Purchase Agreements

The District has various agreements with BOCES to purchase equipment. The expenditure for these agreements was \$1,537,683 for the year ended June 30, 2021. The following is summary of future obligations under these purchase agreements:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 1,969,890
2023	1,185,264
2024	1,078,402
2025	1,078,414
2026	<u>731,301</u>
	<u><u>\$ 6,043,271</u></u>

SYOSSET CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

24. SUBSEQUENT EVENTS

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

A. Issuance of Tax Anticipation Notes

On September 28, 2021, the District issued tax anticipation notes in the amount of \$27,000,000, which are due June 24, 2022 and bear interest at a stated rate of 1.50%. The District received premiums of \$271,350 with the borrowings, to yield an effective interest rate of 0.1398%.

B. Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

In July 2021, the District was awarded CRRSA funding of \$663,984 through the Elementary and Secondary School Emergency Relief (ESSER) Program. These funds are to be used for eligible expenditures which support the District's ability to continue to provide educational services. The revenues, once the award takes place, are to be recognized in the special aid fund as expended. The District received awards approval in July 2021. The District applied for and is awaiting approval for \$1,491,213 in grant funds through the American Rescue Plan (ARP) Act.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 204,236,165	\$ 196,818,196	\$ 196,806,975	\$ (11,221)
Other tax items	8,875,626	16,293,595	16,677,952	384,357
Charges for services	963,913	963,913	737,839	(226,074)
Use of money and property	235,000	235,000	115,559	(119,441)
Sale of property and compensation for loss	74,000	74,000	113,871	39,871
Miscellaneous	466,587	470,587	1,190,528	719,941
Total Local Sources	214,851,291	214,855,291	215,642,724	787,433
State Sources	17,519,065	17,519,065	18,150,038	630,973
Medicaid Reimbursement			31,861	31,861
Federal Sources			239,886	239,886
Total Revenues	232,370,356	232,374,356	234,064,509	1,690,153
OTHER SOURCES				
Operating transfers in	421,615	421,615	421,615	-
Total Revenues and Other Sources	232,791,971	232,795,971	234,486,124	\$ 1,690,153
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	4,967,274	4,967,274		
Prior Year's Encumbrances	744,574	744,574		
Appropriated Reserves	3,880,000	6,752,325		
Total Appropriated Fund Balance	9,591,848	12,464,173		
Total Revenues, Other Financing Sources and Appropriated Fund Balance	\$ 242,383,819	\$ 245,260,144		

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, 2021

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 174,387	\$ 178,387	\$ 166,341	\$	\$ 12,046
Central administration	385,079	432,204	428,097		4,107
Finance	1,284,712	1,313,887	1,219,780	26,358	67,749
Staff	1,256,091	1,285,665	1,221,181		64,484
Central services	24,648,101	24,815,273	23,932,860	339,729	542,684
Special items	4,162,680	1,938,560	1,550,912		387,648
Total General Support	31,911,050	29,963,976	28,519,171	366,087	1,078,718
Instruction					
Administration & improvement	9,619,125	9,738,778	9,467,036	4,500	267,242
Teaching - regular school	77,266,371	77,637,272	76,246,347	224,098	1,166,827
Programs for students with disabilities	29,958,570	28,495,570	27,498,118		997,452
Occupational education	410,000	423,543	423,543		-
Teaching - special schools	515,869	507,331	454,965		52,366
Instructional media	5,895,047	7,082,776	6,743,244	43,729	295,803
Pupil services	11,789,312	12,476,157	11,190,128	71,004	1,215,025
Total Instruction	135,454,294	136,361,427	132,023,381	343,331	3,994,715
Pupil Transportation	10,562,924	10,465,924	10,155,660		310,264
Community Services	309,971	309,971	76,687		233,284
Employee Benefits	56,379,975	55,119,960	53,468,531		1,651,429
Debt Service - Interest	720,000	419,252	415,556		3,696
Total Expenditures	235,338,214	232,640,510	224,658,986	709,418	7,272,106
OTHER USES					
Operating Transfers Out	7,045,605	12,619,634	12,619,604		30
Total Expenditures and Other Uses	<u>\$ 242,383,819</u>	<u>\$ 245,260,144</u>	<u>237,278,590</u>	<u>\$ 709,418</u>	<u>\$ 7,272,136</u>
Net Change in Fund Balance			(2,792,466)		
Fund Balance - Beginning of Year			<u>46,757,968</u>		
Fund Balance - End of Year			<u>\$ 43,965,502</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

Teachers' Retirement System

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.624509%	0.630640%	0.637409%	0.642724%	0.646732%	0.656143%	0.663898%
District's proportionate share of the net pension asset/(liability)	\$ (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	\$ 105,992,404	\$ 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	(16.28)%	15.41 %	10.99 %	4.76 %	(6.94)%	68.85 %	75.41 %
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0609742%	0.0601077%	0.0604660%	0.0624631%	0.0619990%	0.0622257%	0.0608556%
District's proportionate share of the net pension liability	\$ (60,714)	\$ (15,916,856)	\$ (4,284,202)	\$ (2,015,963)	\$ (5,825,569)	\$ (9,987,393)	\$ (2,055,850)
District's covered payroll	\$ 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 liability as a percentage of its covered payroll	(0.29)%	(79.36)%	(21.35)%	(10.35)%	(29.49)%	(52.86)%	(11.36)%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

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

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

Teachers' Retirement System

	<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>	<u>2012</u>
Contractually required contribution	\$ 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	\$ 10,174,683
Contributions in relation to the contractually required contribution	<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>	<u>10,174,683</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	\$ 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	\$ 91,581,302
Contributions as a percentage of covered payroll	10%	9%	11%	10%	12%	13%	18%	16%	12%	11%

Employees' Retirement System

	<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>	<u>2012</u>
Contractually required contribution	\$ 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	\$ 2,750,533
Contributions in relation to the contractually required contribution	<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>	<u>2,750,533</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	\$ 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	\$ 17,277,518
Contributions as a percentage of covered payroll	14%	13%	14%	15%	14%	16%	21%	21%	19%	16%

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 14,228,085	\$ 12,212,805	\$ 15,914,697	\$ 12,696,778
Interest	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	80,210,319	66,354,513	(61,967,401)	-
Benefit payments	<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	31,631,410	80,396,521	(17,553,486)	14,117,990
Total OPEB liability, beginning	<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>\$ 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	\$ 113,117,179	\$ 113,117,179	\$ 127,500,612
Total OPEB liability as a percentage of covered employee payroll	423.21%	369.72%	298.65%	278.72%
Discount rate	2.16%	2.21%	3.50%	4.10%
Healthcare trend rates	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, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 241,639,245
Additions:	
Prior year's encumbrances	<u>744,574</u>
Original Budget	242,383,819
Budget revision	<u>2,876,325</u>
Final Budget	<u><u>\$ 245,260,144</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget	<u><u>\$ 247,160,025</u></u>
Maximum allowed (4% of 2021-2022 budget)	<u><u>\$ 9,886,401</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 3,522,965
Unassigned fund balance	<u>9,886,401</u>
	\$ 13,409,366
Less:	
Appropriated fund balance	2,813,547
Encumbrances	<u>709,418</u>
Total adjustments	<u>3,522,965</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 9,886,401</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, 2021

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended	Methods of Financing				Fund
	June 30, 2020	June 30, 2021	Prior	Current	Total	Balance	Proceeds of	State Aid	Local Sources	Total	Balance
			Years	Year			Obligations				June 30, 2021
2016-17 Capital Reserve 2014 - Phase I											
South Grove Annex V/D/G	\$ 231,174	\$ 372,150	\$ 198,011	\$ 46,921	\$ 244,932	\$ 127,218	\$	\$	\$ 372,150	\$ 372,150	\$ 127,218
AP Willits V/D/G	200,522	504,850	185,641	99,272	284,913	219,937			504,850	504,850	219,937
Berry Hill V/D/G	227,925	465,785	215,446	61,109	276,555	189,230			465,785	465,785	189,230
South Woods V/D/G	269,603	954,083	226,355	260,292	486,647	467,436			954,083	954,083	467,436
Village V/D/G	189,651	507,388	164,463	93,343	257,806	249,582			507,388	507,388	249,582
High School V/D/G	783,745	1,869,526	525,931	458,309	984,240	885,286			1,869,526	1,869,526	885,286
South Grove V/D/G	259,252	534,119	239,971	77,033	317,004	217,115			534,119	534,119	217,115
Baylis V/D/G	220,635	654,300	211,696	115,282	326,978	327,322			654,300	654,300	327,322
W Whitman V/D/G	295,232	791,252	258,343	137,944	396,287	394,965			791,252	791,252	394,965
Robins Lane V/D/G	105,936	470,945	99,458	124,455	223,913	247,032			470,945	470,945	247,032
HBT V/D/G	329,006	1,129,521	277,967	297,938	575,905	553,616			1,129,521	1,129,521	553,616
District Wide Fire Alarms	2,053,931	2,065,722	1,803,616	141,673	1,945,289	120,433			2,065,722	2,065,722	120,433
Baylis Fuel Tanks	132,750	153,750	8,973	106	9,079	144,671			153,750	153,750	144,671
Berry Hill Fuel Tanks	134,650	101,442	94,241	2,228	96,469	4,973			101,442	101,442	4,973
South Grove Fuel Tanks	131,650	108,567	103,149	2,617	105,766	2,801			108,567	108,567	2,801
SG Annex Fuel Tanks	132,750	142,750	13,713		13,713	129,037			142,750	142,750	129,037
Village Fuel Tanks	143,850	155,454	8,581		8,581	146,873			155,454	155,454	146,873
Whitman Fuel Tanks	153,750	153,750	16,104	21,195	37,299	116,451			153,750	153,750	116,451
AP Willits Fuel Tanks	132,750	144,354	13,744		13,744	130,610			144,354	144,354	130,610
S Woods Fuel Tanks	149,750	107,077	107,289	(212)	107,077	-			107,077	107,077	-
HBT Fuel Tanks	132,850	122,850	15,753	85,062	100,815	22,035			122,850	122,850	22,035
High School Fuel Tanks	165,150	126,695	120,897	3,305	124,202	2,493			126,695	126,695	2,493
High School Temporary Vestibule	16,227	16,227	16,227		16,227	-			16,227	16,227	-
Unallocated	6,077,772	1,017,954				1,017,954			1,017,954	1,017,954	1,017,954
	<u>12,670,511</u>	<u>12,670,511</u>	<u>4,925,569</u>	<u>2,027,872</u>	<u>6,953,441</u>	<u>5,717,070</u>	<u>-</u>	<u>-</u>	<u>12,670,511</u>	<u>12,670,511</u>	<u>5,717,070</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	742,935	723,890	663,744	60,146	723,890	-	35,730		688,160	723,890	-
HS Site Work	9,245,792	9,149,504	8,999,910	149,594	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	4,888,118	5,010,618	3,932,563	744,674	4,677,237	333,381	4,838,275		172,343	5,010,618	333,381
Walt Whitman Upgrades	927,733	926,356	918,248	8,108	926,356	-	614,172		312,184	926,356	-
Baylis Parking	145,240	135,959	134,014	1,945	135,959	-	115,856		20,103	135,959	-
Berry Hill Parking	504,922	494,122	474,468	(60)	474,408	19,714	338,114		156,008	494,122	19,714
Bathrooms - Baylis	382,570	302,570	59,890	190,542	250,432	52,138	285,296		17,274	302,570	52,138
Bathrooms - Berry Hill	291,950	291,950	52,538	217,586	270,124	21,826	280,397		11,553	291,950	21,826
Bathrooms - Robins Lane	305,620	252,914	256,415	(3,501)	252,914	-	234,939		17,975	252,914	-
Bathrooms - South Grove	319,840	304,840	14,208	286,721	300,929	3,911	293,822		11,018	304,840	3,911
Bathrooms - SG Annex	135,610	135,610	34,522	82,031	116,553	19,057	128,913		6,697	135,610	19,057
Bathrooms - Village	265,650	244,274	240,391	3,883	244,274	-	232,712		11,562	244,274	-
Bathrooms - W Whitman	263,270	256,092	251,731	4,361	256,092	-	243,040		13,052	256,092	-
Bathrooms - AP Willits	323,930	310,430	17,281	275,222	292,503	17,927	297,743		12,687	310,430	17,927
Bathrooms - South Woods	255,510	227,510	63,773	129,441	193,214	34,296	203,781		23,729	227,510	34,296
Bathrooms - HBT	606,875	591,875	125,410	399,703	525,113	66,762	560,225		31,650	591,875	66,762
Bathrooms - High School	936,670	928,379	915,406	12,973	928,379	-	478,589		449,790	928,379	-
District Wide Fire Alarms - Phase II	1,428,000	1,438,800	1,229,418	201,223	1,430,641	8,159	1,438,800			1,438,800	8,159
HS Vestibule Project - Phase II	1,424,411	1,424,411	978,935	330,100	1,309,035	115,376	1,358,817		65,594	1,424,411	115,376

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Continued)
For the Year Ended June 30, 2021

PROJECT TITLE	Budget		Expenditures			Unexpended Balance	Methods of Financing				Fund Balance
	June 30, 2020	June 30, 2021	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	June 30, 2021
2017-18 Capital Reserve 2014 Phase II/Bond (Continued)											
HVAC - Baylis	\$ 620,745	\$ 611,745	\$ 72,629	\$ 521,846	\$ 594,475	\$ 17,270	\$ 571,292	\$	\$ 40,453	\$ 611,745	\$ 17,270
HVAC - Berry Hill	612,601	612,601	344,748	257,790	602,538	10,063	585,548		27,053	612,601	10,063
HVAC - Robins Lane	599,018	589,018	200,579	352,878	553,457	35,561	548,713		40,305	589,018	35,561
HVAC - South Grove	488,822	481,822	340,951	104,710	445,661	36,161	455,042		26,780	481,822	36,161
HVAC - SG Annex	296,313	276,313	188,449	67,349	255,798	20,515	260,629		15,684	276,313	20,515
HVAC - Village	605,400	587,400	417,566	143,029	560,595	26,805	560,518		26,882	587,400	26,805
HVAC - W Whitman	567,395	540,395	162,239	355,915	518,154	22,241	514,187		26,208	540,395	22,241
HVAC - AP Willits	558,190	548,190	137,966	394,567	532,533	15,657	518,595		29,595	548,190	15,657
HVAC - South Woods	726,586	711,586	92,878	498,726	591,604	119,982	667,098		44,488	711,586	119,982
HVAC - HBT	1,655,596	3,524,641	124,670	210,317	334,987	3,189,654	3,458,710		65,931	3,524,641	3,189,654
HVAC - South Woods	781,000	2,331,000	33,960	534,580	568,540	1,762,460	2,330,999			2,330,999	1,762,459
HVAC - High School	5,709,946	6,176,544	1,438,426	3,940,152	5,378,578	797,966	6,071,414		105,130	6,176,544	797,966
Unallocated	4,165,500	640,399				640,399	639,900		500	640,400	640,400
	46,059,671	46,059,671	28,195,839	10,476,551	38,672,390	7,387,281	34,345,000	249,671	11,465,000	46,059,671	7,387,281
2018-19											
HB Thompson Floor	288,128	288,128	288,128		288,128	-		288,128		288,128	-
HS Lockers	160,916	160,916	160,916	(841)	160,075	841		160,916		160,916	841
HS Gym Ventilation	851,000	799,620	754,382	45,238	799,620	-		799,620		799,620	-
SG Emergency Reconstruction	230,020	235,083	229,998	5,085	235,083	-		235,083		235,083	-
Unallocated	99,956	146,273				146,273		146,273		146,273	146,273
	1,630,020	1,630,020	1,433,424	49,482	1,482,906	147,114			1,630,020	1,630,020	147,114
2019-20											
South Grove Library	56,663	56,663	56,663		56,663	-		56,663		56,663	-
W Whitman Library	56,471	56,471	56,471		56,471	-		56,471		56,471	-
HS Guard Booth	129,900	129,900	3,190	113,323	116,513	13,387		129,900		129,900	13,387
HS Pool	115,542	115,542	115,542	(726)	114,816	726		115,542		115,542	726
HS Vestibule Project - Ph II	905,620	905,620	905,620		905,620	-		905,620		905,620	-
SW Partial Roof Replacement	370,000	311,232	139,779	171,453	311,232	-		311,232		311,232	-
SW Partial Floor Replacement		624,494		21,600	21,600	602,894		624,494		624,494	602,894
Unallocated	565,804	78				78		78		78	78
	2,200,000	2,200,000	1,277,265	305,650	1,582,915	617,085			2,200,000	2,200,000	617,085
Energy Performance Contract											
South Grove Annex		1,342,134		397,886	397,886	944,248	1,342,134			1,342,134	944,248
AP Willits		1,479,076		604,463	604,463	874,613	1,479,076			1,479,076	874,613
Berry Hill		875,046		447,550	447,550	427,496	875,046			875,046	427,496
South Woods MS		1,691,954		698,578	698,578	993,376	1,687,706	4,248		1,691,954	993,376
Village		1,390,899		472,405	472,405	918,494	1,390,899			1,390,899	918,494
Syosset HS		4,463,779		1,798,962	1,798,962	2,664,817	4,463,779			4,463,779	2,664,817
South Grove Elementary		641,217		420,437	420,437	220,780	641,217			641,217	220,780
Baylis		2,305,535		770,858	770,858	1,534,677	2,305,535			2,305,535	1,534,677
Walt Whitman		1,164,153		772,146	772,146	392,007	1,164,153			1,164,153	392,007
Robbins Lane		3,091,577		1,231,272	1,231,272	1,860,305	3,091,577			3,091,577	1,860,305
HBT MS		1,543,878		707,230	707,230	836,648	1,543,878			1,543,878	836,648
		19,989,248		8,321,787	8,321,787	11,667,461	19,985,000		4,248	19,989,248	11,667,461
2020-21											
HS Site Work		634,300		606,027	606,027	28,273		634,300		634,300	28,273
District Wide Emergency Ventilation		714,225		671,569	671,569	42,656		714,225		714,225	42,656
South Woods Generator		436,000		97,968	97,968	338,032		436,000		436,000	338,032
HBT DOAS Ventilation		1,416,300		166,480	166,480	1,249,820		1,416,300		1,416,300	1,249,820
Hilltop Garage Ventilation		220,000		5,670	5,670	214,330		220,000		220,000	214,330
Unallocated		1,046,449				1,046,449		1,046,449		1,046,449	1,046,449
		4,467,274		1,547,714	1,547,714	2,919,560			4,467,274	4,467,274	2,919,560
Capital Reserve 20-21											
HS DOAS Ventilation		1,661,125		828,453	828,453	832,672		1,661,125		1,661,125	832,672
South Woods DOAS Ventilation		1,211,200		274,395	274,395	936,805		1,211,200		1,211,200	936,805
		2,872,325		1,102,848	1,102,848	1,769,477			2,872,325	2,872,325	1,769,477
Totals	\$ 62,560,202	\$ 89,889,049	\$ 35,832,097	\$ 23,831,904	\$ 59,664,001	\$ 30,225,048	\$ 54,330,000	\$ 249,671	\$ 35,309,378	\$ 89,889,049	\$ 30,225,048

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets
June 30, 2021

Capital assets, net	<u>\$ 136,430,983</u>
Deduct:	
Short-term portion of bonds payable	6,105,000
Long-term portion of bonds payable	57,120,000
Less: Unspent bond proceeds	<u>(19,054,739)</u>
	<u>44,170,261</u>
Net Investment in Capital Assets	<u><u>\$ 92,260,722</u></u>



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**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, 2021, 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 13, 2021. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

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 may exist that have not been identified.

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 determination of financial statement amounts. 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*.

We noted certain matters that we have reported to the Board of Education, Audit Committee, and management of the Syosset Central School District in a separate letter dated October 13, 2021.

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 13, 2021

