Syosset Central School District

Preparing our students for a continually changing world

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
June 30, 2026

SYOSSET CENTRAL SCHOOL DISTRICT
Syosset, New York

SYOSSET CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Required Supplementary Information (Unaudited)	
Management's Discussion and Analysis (MD&A)	4
Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the District-wide Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-wide Statement of Activities	21
Statement of Fiduciary Net Position – Fiduciary Fund	22
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	22
Notes to Financial Statements	23
Required Supplementary Information Other than MD&A (Unaudited):	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	56
Notes to Required Supplementary Information – Budgetary Comparison	58
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	59
Schedule of District Pension Contributions	60
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	61
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	63
Other Information (Unaudited):	
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund	64
Schedule of Project Expenditures and Financing Resources – Capital Projects Fund	65
Schedule of Net Investment in Capital Assets	69
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*	70

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Syosset Central School District
Syosset, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Syosset Central School District ("the District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, and the aggregate remaining fund information of Syosset Central School District, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, notes to required supplementary information – budgetary comparison, schedule of the district's proportionate share of the net pension asset/(liability), schedule of district pension contributions, and schedule of changes in the district's total OPEB liability and related ratios on pages 4 through 15 and 56 through 61, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Syosset Central School District's basic financial statements. The accompanying combining nonmajor funds financial statements on pages 62 and 63 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information on pages 64 through 69 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2026, on our consideration of 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 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 Syosset Central School District's internal control over financial reporting and compliance.

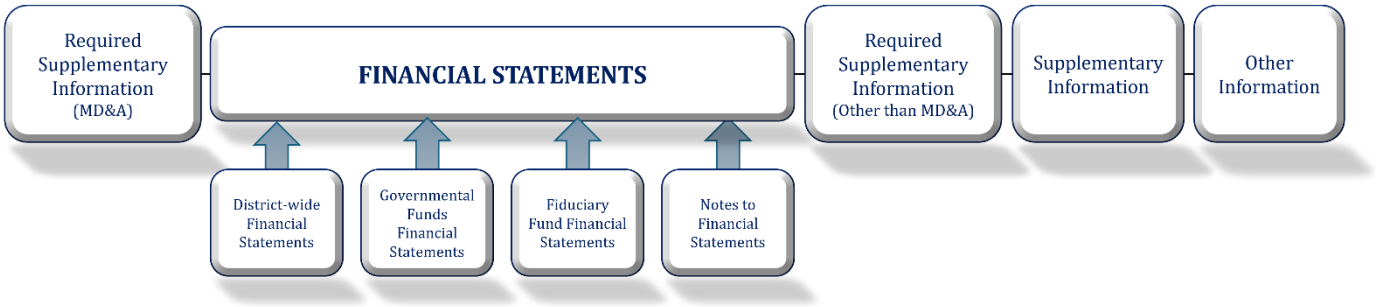
Cullen & Danowski, LLP

Port Jefferson Station, New York
October 6, 2026

The Syosset Central School District's ("the District") discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2026 in comparison with the year ended June 30, 2025, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, required supplementary information (RSI), supplementary information, and other information, which immediately follow this section.

1. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-Wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Funds Financial Statements

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

Governmental Funds

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental funds 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 funds 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. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, special aid fund and capital projects fund, since the District has elected to report them as major funds. Combining information for the nonmajor funds can be found elsewhere in this report.

The District adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund within the RSI to demonstrate compliance with the budget.

Fiduciary Fund

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

2. FINANCIAL SUMMARY AND DETAILED ANALYSIS

A. Net Position

The net pension summary has been reclassified from the prior current year's presentation to align with the current year reporting format. The District's total net position increased by $13,481,707 between fiscal years 2025 and 2026. The increase is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position, follows:

	June 30, 2026	June 30, 2025	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 185,361,157	$ 112,840,834	$ 72,520,323	64.27 %
Capital Assets, Net	164,506,120	156,237,147	8,268,973	5.29 %
Total Assets	349,867,277	269,077,981	80,789,296	30.02 %
Deferred Outflows of Resources	135,679,819	142,642,643	(6,962,824)	(4.88)%
Liabilities				
Current and Other Liabilities	89,481,422	29,400,791	60,080,631	204.35 %
Long-Term Liabilities	499,719,338	469,104,694	30,614,644	6.53 %
Total Liabilities	589,200,760	498,505,485	90,695,275	18.19 %
Deferred Inflows of Resources	$ 123,316,139	$ 153,666,649	$ (30,350,510)	(19.75)%
Net Position (Deficit)				
Net Investment in Capital Assets	112,948,717	113,039,500	(90,783)	(0.08)%
Restricted	77,340,687	55,431,075	21,909,612	39.53 %
Unrestricted (Deficit)	(417,259,207)	(408,922,085)	(8,337,122)	2.04 %
Total Net Position (Deficit)	$ (226,969,803)	$ (240,451,510)	$ 13,481,707	(5.61)%

The increase in current and other assets is primarily related to the District's share of the New York State Teachers' Retirement System's (TRS) net pension assets – proportionate share, at the measurement date of the respective year, and additional cash.

The increase in capital assets, net is primarily related to capital projects in excess of accumulated depreciation/amortization.

The change in current and other liabilities is primarily related to the issuance of bond anticipation notes for capital projects.

The change in long-term liabilities is primarily related to the following:

- Repayments of current year bond indebtedness.
- Increase in total OPEB liability is based on the actuarial valuation of the plan and a decrease in the discount rate.
- Decrease in the New York State and Local Employees' Retirement System's (ERS) net pension liability – proportionate share at the measurement date, which is the result of the actuarial valuation, which reported that the plan's net position increased more than the total pension liability.

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 results of operations, as a whole, are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements, school tax relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2026 and 2025, is as follows:

	June 30, 2026	June 30, 2025	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	$ 1,865,012	$ 3,140,835	$ (1,275,823)	(40.62)%
Operating Grants & Contributions	8,813,279	6,229,772	2,583,507	41.47 %
Capital Grants	10,597	105,602	(95,005)	(89.97)%
General Revenues				
Property Taxes & STAR	232,861,792	226,545,083	6,316,709	2.79 %
State Sources	36,397,419	35,076,839	1,320,580	3.76 %
Other	19,431,401	17,061,039	2,370,362	13.89 %
Total Revenues	299,379,500	288,159,170	11,220,330	3.89 %
Expenses				
General Support	37,236,789	39,217,690	(1,980,901)	(5.05)%
Instruction	227,609,334	227,876,937	(267,603)	(0.12)%
Pupil Transportation	14,592,867	13,453,260	1,139,607	8.47 %
Community Services	407,125	450,537	(43,412)	(9.64)%
Debt Service - Interest	2,020,323	1,485,647	534,676	35.99 %
Food Service Program	4,031,355	3,339,511	691,844	20.72 %
Total Expenses	285,897,793	285,823,582	74,211	0.03 %
Change in Net Position	$ 13,481,707	$ 2,335,588	$ 11,146,119	477.23 %

The District's net position increased by $13,481,707 and $2,335,588 for the years ended June 30, 2026 and 2025, respectively.

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

- The increase in operating grants and contributions is related to new funding in the school food service program for all children to receive free breakfast and lunch. This resulted in a decrease in charges for services.

- Real property taxes and STAR increased to fund for additional appropriations in the voter-approved 2025-2026 budget.

- The increase in state sources is chiefly due to the District receiving more in general aid.

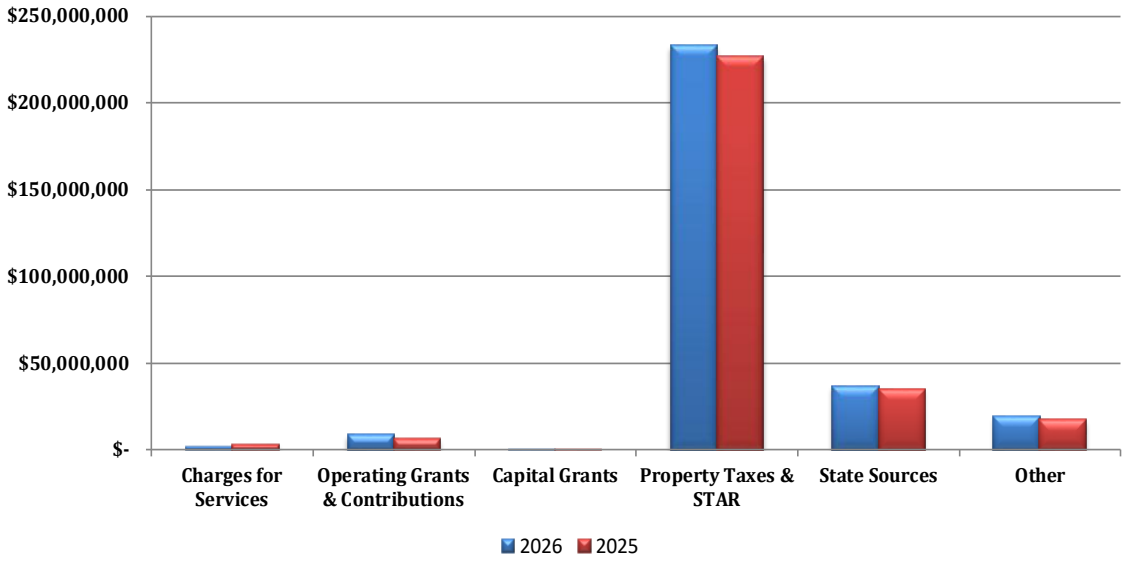
The District's expenses increased when compared to the prior year, primarily due to the following major changes:

- General support expenses decreased primarily, as a result of the settlement of litigation in the prior year, offset by the upgrading of the security infrastructure.

- Pupil transportation expenses increased, as a result of contractual rate adjustments.

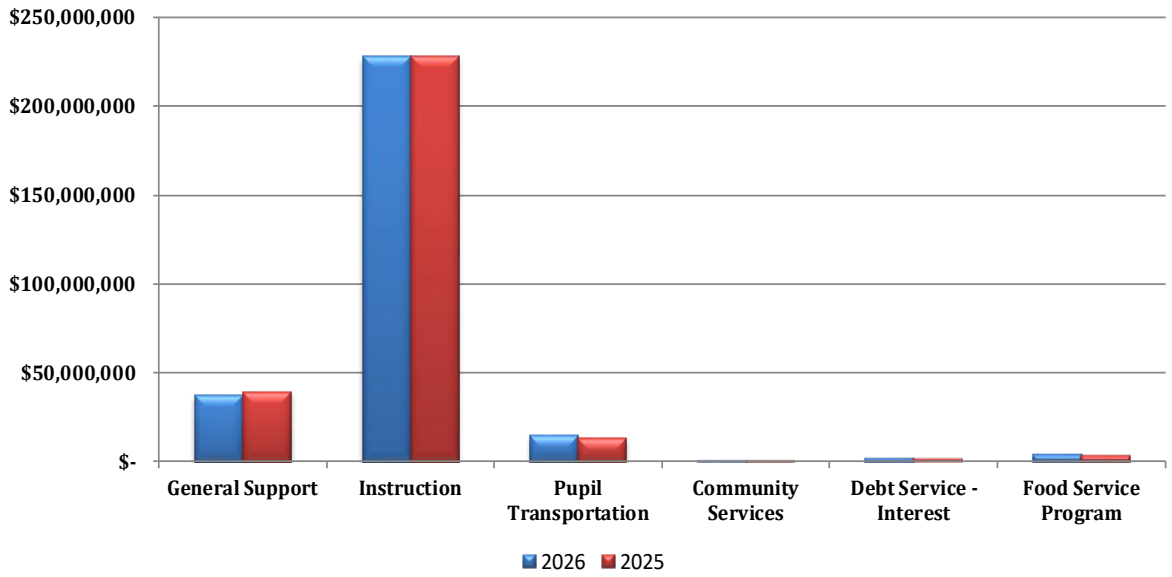
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 77.8% and 78.6% of the total for the years 2026 and 2025, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 79.7% of the total for the years 2026 and 2025.).

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
2026	0.6%	2.9%	0.0%	77.8%	12.2%	6.5%
2025	1.1%	2.2%	0.0%	78.6%	12.2%	5.9%

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
2026	13.0%	79.7%	5.1%	0.1%	0.7%	1.4%
2025	13.7%	79.7%	4.7%	0.2%	0.5%	1.2%

3. DETAILED ANALYSIS OF GOVERNMENTAL FUNDS

At June 30, 2026, the District's governmental funds reported a combined fund balance of $59,870,053, which is a decrease of $5,451,544 from the prior year. This decrease is due to an excess of expenditures and other financing uses over revenues and other financing sources using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund, is as follows:

	June 30, 2026	June 30, 2025	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Prepaids	$	$ 26,837	$ (26,837)	(100.00)%
Restricted				
Workers' compensation	3,889,008	3,577,336	311,672	8.71 %
Unemployment insurance	710,915	732,845	(21,930)	(2.99)%
Retirement contribution				
Teachers' retirement system	8,880,301	9,191,284	(310,983)	(3.38)%
Employees' retirement system	15,914,143	13,082,783	2,831,360	21.64 %
Insurance	182,106	175,541	6,565	3.74 %
Employee benefit accrued liability	2,924,178	3,306,107	(381,929)	(11.55)%
Capital	6,377,075	5,472,386	904,689	16.53 %
Repairs	191,531	186,903	4,628	2.48 %
Assigned:				
Appropriated fund balance	2,900,000	2,900,000	-	0.00 %
Unappropriated fund balance	1,067,011	403,193	663,818	164.64 %
Unassigned: Fund balance	12,274,973	11,832,896	442,077	3.74 %
	55,311,241	50,888,111	4,423,130	8.69 %

	June 30, 2026	June 30, 2025	Increase (Decrease)	Percentage Change
Capital Projects Fund				
Restricted:				
Capital	$ 1,538,916	$ 1,538,916	$ -	0.00 %
Unspent debt proceeds	2,887,824	2,995,182	(107,358)	(3.58)%
Assigned: Unappropriated fund balance	-	8,475,222	(8,475,222)	(100.00)%
Unassigned: Fund balance	(2,558,788)		(2,558,788)	N/A
	1,867,952	13,009,320	(11,141,368)	(85.64)%
Nonmajor Fund				
Nonspendable	18,061	16,759	1,302	7.77 %
Restricted	502,545	40,815	461,730	1,131.28 %
Assigned	2,170,254	1,366,592	803,662	58.81 %
	2,690,860	1,424,166	1,266,694	88.94 %
Total Fund Balance	$ 59,870,053	$ 65,321,597	$ (5,451,544)	(8.35)%

A. General Fund

Fund Balance

The general fund – fund balance is a net increase of $4,423,130 compared to a decrease of $4,777,832 in 2025. This resulted from revenues in excess of expenditures and other financing uses.

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

	2026	2025	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	$ 232,861,792	$ 226,545,083	$ 6,316,709	2.79 %
Other Local Sources	17,345,882	15,424,654	1,921,228	12.46 %
State Sources	36,397,419	35,076,839	1,320,580	3.76 %
Medicaid Reimbursement	54,860	55,492	(632)	(1.14)%
Federal Sources	48,962	45,248	3,714	8.21 %
	$ 286,708,915	$ 277,147,316	$ 9,561,599	3.45 %

- See MD&A "Financial Summary and Detailed Analysis" for primary differences that were previously detailed.

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

	2026	2025	Increase (Decrease)	Percentage Change
General Support	$ 30,175,577	$ 32,807,595	$ (2,632,018)	(8.02)%
Instruction	152,924,371	149,767,602	3,156,769	2.11 %
Pupil Transportation	14,118,361	12,985,433	1,132,928	8.72 %
Community Services	281,831	305,961	(24,130)	(7.89)%
Employee Benefits	73,451,557	70,751,707	2,699,850	3.82 %
Debt Service	2,164,639	2,037,615	127,024	6.23 %
Other Financing Uses	9,169,449	13,269,235	(4,099,786)	(30.90)%
	$ 282,285,785	$ 281,925,148	$ 360,637	0.13 %

- General support expenditures decreased primarily because, during the prior year, security infrastructure upgrades were performed, and legal settlement costs were incurred.
- Instruction expenditures increased due to routine salary raises and step changes.
- Employee benefits expenditures increased due to higher health insurance costs.
- Other financing uses decreased, as, in the prior year, a transfer to the capital projects fund included a voter-approved use of the capital reserve.

Restricted Fund Balance

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

	Balance June 30, 2025	Use of Reserves	Interest	Funding	Balance June 30, 2026
Workers' compensation	$ 3,577,336	$ (902,134)	$ 133,806	$ 1,080,000	$ 3,889,008
Unemployment insurance	732,845	(49,344)	27,414		710,915
Retirement contribution					
TRS	9,191,284	(3,057,435)	343,785	2,402,667	8,880,301
ERS	13,082,783	(4,152,861)	489,336	6,494,885	15,914,143
Insurance	175,541		6,565		182,106
EBAL	3,306,107	(510,000)	128,071		2,924,178
Capital: June 2020	5,472,386		204,689	700,000	6,377,075
Repairs	186,903		4,628		191,531
	$ 35,725,185	$ (8,671,774)	$ 1,338,294	$ 10,677,552	$ 39,069,257

Additional detail regarding capital reserves can be found in the "Fund Balance – Governmental Funds" Note.

Change in Unassigned Fund Balance

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 and other financing uses, net of transfers to reserves, appropriations to fund the subsequent year's budget, and encumbrances. The change in this balance, demonstrated through a comparison of the actual revenues and to expenditures and other financing uses for the year compared to budget, follows:

Opening, Unassigned Fund Balance	$ 11,832,896
Revenues Over Budget	2,926,105
Expenditures, Other Financing Uses, and Encumbrances Under Budget	12,875,642
Unused Appropriated Reserves	(470,661)
Net Change in Nonspendable Fund Balance	26,837
Allocation to Reserves	(12,015,846)
Appropriated to Fund the June 30, 2027 Budget	(2,900,000)
Closing, Unassigned Fund Balance	$ 12,274,973

B. Capital Projects Fund

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

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

Reserve Designation	Balance June 30, 2025	Use of Reserves	Funding	Balance June 30, 2026
June 2020	$ 1,538,916	$	$	$ 1,538,916

4. SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

A. Capital Assets and Intangible Assets

At June 30, 2026, the District had invested in a broad range of capital assets and intangible assets, as indicated in the table below. The net increase in capital assets and intangible assets is due to capital outlays and other additions of $16,140,536 in excess of depreciation/amortization expense of $7,871,563 recorded for the year ended June 30, 2026. A summary of the District's capital assets and intangible assets, net of accumulated depreciation/amortization at June 30, 2026 and 2025, is as follows:

	June 30, 2026	June 30, 2025	Increase (Decrease)
Land	$ 1,254,281	$ 1,254,281	$ -
Construction in progress	39,084,894	26,914,736	12,170,158
Buildings and improvements	107,137,893	109,250,074	(2,112,181)
Land improvements	9,350,116	9,697,469	(347,353)
Furniture, equipment and vehicles	7,173,194	7,566,376	(393,182)
Leased equipment and fixtures	505,742	1,554,211	(1,048,469)
Capital assets, net	$ 164,506,120	$ 156,237,147	$ 8,268,973

B. Debt Administration

At June 30, 2026, the District had combined total debt of $39,537,350. The decreases in outstanding debt represent principal payments made throughout the year. A summary of the outstanding debt at June 30, 2026 and 2025, is as follows:

Issue/ Commencement Date	Interest Rate	June 30, 2026	June 30, 2025	Increase (Decrease)
Bonds Payable				
10/2013	2.0-5.0%	$ -	$ 915,000	$ (915,000)
10/2013	2.0-5.0%	-	405,000	(405,000)
5/2015	2.0-5.0 %	150,000	295,000	(145,000)
9/2019	2.0-2.25%	21,885,000	23,345,000	(1,460,000)
7/2020	2.0%	16,975,000	18,500,000	(1,525,000)
		$ 39,010,000	$ 43,460,000	$ (4,450,000)
Lease Liabilities				
4/2021	2.240%	$ -	$ 678,622	$ (678,622)
10/2021	1.080%	-	25,774	(25,774)
7/2022	2.275%	-	100,171	(100,171)
9/2022	2.275%	11,388	78,819	(67,431)
7/2023	4.420%	215,379	316,148	(100,769)
7/2024	4.850%	300,583	391,462	(90,879)
		$ 527,350	$ 912,374	$ (385,024)

The District's latest underlying, long-term credit rating from Moody's Investors Service, Inc. is Aa1. The District's outstanding serial bonds at June 30, 2026 are 6.27% of the District's debt limit.

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, workers' compensation, total OPEB liability, and net pension liabilities – proportionate share, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2026 and 2025, is as follows:

	June 30, 2026	June 30, 2025	Increase (Decrease)
Compensated absences payable	$ 5,636,803	$ 5,649,852	$ (13,049)
Workers' compensation liabilities	6,020,099	5,857,184	162,915
Total OPEB liability	444,773,627	401,769,321	43,004,306
Net pension liabilities - proportionate share	3,472,256	10,332,578	(6,860,322)
	$ 459,902,785	$ 423,608,935	$ 36,293,850

5. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, was approved by the voters on May 19, 2026, for the year ending June 30, 2027.

The District increased budgeted revenues other than property taxes and STAR over the prior year's estimate, which is principally due to an estimated increase in state aid. The assigned, appropriated fund balance applied to the budget remained the same as the previous year. Additionally, the District has elected to increase the amount of appropriated reserves towards the next year's budget. A property tax increase was needed to meet the funding shortfall and cover the increase in appropriations. The following is a summary of these changes:

	2026	2027	Change
Property Taxes & STAR	$ 232,787,600	$ 237,879,572	$ 5,091,972
State Aid	35,879,264	39,428,792	3,549,528
Other Revenues	15,113,121	17,205,960	2,092,839
Appropriated Fund Balance	2,900,000	2,900,000	-
Appropriated Reserves	9,142,435	9,460,000	317,565
Adopted Budget	**$ 295,822,420**	**$ 306,874,324**	**$ 11,051,904**
Change in Budget	*3.53%*	*3.74%*	
Change in Tax Levy	**2.77%**	**2.19%**	
Tax Levy Limit	$ 232,854,108	$ 237,905,510	
Over/(Under) limit	(66,508)	(25,938)	
Property Tax Cap	**2.80%**	**2.20%**	

B. Tax Cap

New York State law limits the annual increase in the property tax levy of school districts to the lesser of 2% plus additional statutory adjustments to the tax levy limit, or the rate of inflation plus additional statutory adjustments to the tax levy limit. School districts may override the tax levy limit (tax cap) by presenting a budget to the voters, which requires a tax levy that exceeds the statutory limit; however, that budget must be approved by at least 60% of the votes cast. The District's 2026-2027 property tax complied with New York State tax cap regulations.

C. Future Budgets

Factors to consider that could influence future budgets:

- Uncertainty with state aid, despite the 2026-2027 state aid amount, which includes a 2% increase in foundation aid.
- The rise in employee salaries and health care benefit costs.
- Fluctuating pension costs due to the change in New York State and Local Retirement System (NYSLRS) Tier VI contribution rates and final average salary calculations. For both NYSLRS and TRS, participation, and economic factors impacting the plans' investments and their ability to grow at a rate greater than the plans' total pension liability.

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
Associate Superintendent for Business
Syosset Central School District
99 Pell Lane
Syosset, New York 11791

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2026

ASSETS	
Cash and cash equivalents	
Unrestricted	$ 47,442,304
Restricted	87,733,745
Receivables	
Accounts receivable	60,988
Taxes receivable	6,321,239
Due from state and federal	7,074,412
Due from other governments	486,439
Inventory	15,061
Capital assets:	
Not being depreciated	40,339,175
Being depreciated/amortized, net of accumulated depreciation/amortization	124,166,945
Net pension assets - proportionate share	36,226,969
Total Assets	349,867,277
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	50,800,565
Other postemployment benefits	84,879,254
Total Deferred Outflows of Resources	135,679,819
LIABILITIES	
Payables	
Accounts payable	15,941,813
Accrued liabilities	1,847,712
Due to fiduciary fund	500,637
Due to other governments	16,697
Due to teachers' retirement system	13,803,430
Due to employees' retirement system	1,405,445
Compensated absences payable	271,501
Other liabilities	1,071,403
Notes payable	
Bond anticipation	54,000,000
Unearned credits	
Collections in advance	622,784
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	3,287,017
Lease liabilities	212,088
Compensated absences payable	1,276,978
Workers' compensation liabilities	1,183,304
Total other postemployment benefits liability	17,054,248
Due and payable after one year	
Bonds payable, net	36,002,186
Lease liabilities	315,262
Compensated absences payable	4,359,825
Workers' compensation liabilities	4,836,795
Total other postemployment benefits liability	427,719,379
Net pension liabilities - proportionate share	3,472,256
Total Liabilities	589,200,760
DEFERRED INFLOWS OF RESOURCES	
Pensions	35,603,710
Other postemployment benefits	87,712,429
Total Deferred Inflows of Resources	123,316,139
NET POSITION (DEFICIT)	
Net investment in capital assets	112,948,717
Restricted:	
Governmental	41,113,718
Pension	36,226,969
	77,340,687
Unrestricted (Deficit)	(417,259,207)
Total Net Position (Deficit)	$ (226,969,803)

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General support	$ 37,236,789	$	$	$	$ (37,236,789)
Instruction	227,609,334	949,724	4,981,315	10,597	(221,667,698)
Pupil transportation	14,592,867				(14,592,867)
Community services	407,125				(407,125)
Debt service - interest	2,020,323				(2,020,323)
Food service program	4,031,355	915,288	3,831,964		715,897
Total Functions and Programs	$ 285,897,793	$ 1,865,012	$ 8,813,279	$ 10,597	(275,208,905)
GENERAL REVENUES					
Real property taxes					228,972,991
Other tax items					16,023,000
Use of money and property					3,173,487
Sale of property and compensation for loss					77,540
Miscellaneous					3,053,440
State sources					36,397,419
Intergovernmental revenue					937,875
Medicaid reimbursement					54,860
Total General Revenues					288,690,612
Change in Net Position					13,481,707
Total Net Position (Deficit) - Beginning of Year					(240,451,510)
Total Net Position (Deficit) - End of Year					$ (226,969,803)

SYOSSET CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2026

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Unrestricted	$ 32,517,982	$ 4,196	$ 12,404,171	$ 2,515,955	$ 47,442,304
Restricted	39,069,257		48,158,943	505,545	87,733,745
Receivables					
Accounts receivable	59,121			1,867	60,988
Taxes receivable	6,321,239				6,321,239
Due from other funds	3,694,977	64,663	917,677	94,208	4,771,525
Due from state and federal	3,663,955	2,698,990	108,633	602,834	7,074,412
Due from other governments	411,439		75,000		486,439
Inventory				15,061	15,061
Total Assets	$ 85,737,970	$ 2,767,849	$ 61,664,424	$ 3,735,470	$ 153,905,713
LIABILITIES					
Payables					
Accounts payable	$ 10,784,856	$ 318,408	$ 4,360,877	$ 477,672	$ 15,941,813
Accrued liabilities	1,436,319	3,364		7,109	1,446,792
Due to other funds	1,577,185	2,443,015	1,251,962		5,272,162
Due to other governments				16,697	16,697
Due to teachers' retirement system	13,803,430				13,803,430
Due to employees' retirement system	1,405,445				1,405,445
Compensated absences payable	271,501				271,501
Other liabilities	1,071,403				1,071,403
Notes payable bond anticipation			54,000,000		54,000,000
Unearned credits					
Collections in advance	76,590	3,062		543,132	622,784
Total Liabilities	30,426,729	2,767,849	59,612,839	1,044,610	93,852,027
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue			183,633		183,633
FUND BALANCES					
Nonspendable				18,061	18,061
Restricted	39,069,257		4,426,740	502,545	43,998,542
Assigned	3,967,011			2,170,254	6,137,265
Unassigned (Deficit)	12,274,973		(2,558,788)		9,716,185
Total Fund Balances	55,311,241	-	1,867,952	2,690,860	59,870,053
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 85,737,970	$ 2,767,849	$ 61,664,424	$ 3,735,470	$ 153,905,713

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the District-wide Statement of Net Position
June 30, 2026

Total Governmental Fund Balances		$ 59,870,053
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of building or acquiring capital assets, and of obtaining the right-to-use capital and intangible assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost or present value of capital and intangible assets	$ 276,569,604	
Less: Accumulated depreciation/amortization	(112,063,484)	
		164,506,120
Proportionate share of long-term assets and liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or assets and liabilities and are not reported in the funds.		
Deferred outflows of resources	50,800,565	
Net pension asset - teachers' retirement system	36,226,969	
Net pension liability - employees' retirement system	(3,472,256)	
Deferred inflows of resources	(35,603,710)	
		47,951,568
Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	84,879,254	
Total other postemployment benefits liability	(444,773,627)	
Deferred inflows of resources	(87,712,429)	
		(447,606,802)
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.		183,633
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Accrued interest on debt	(400,920)	
Bonds payable, net	(39,289,203)	
Lease liabilities	(527,350)	
Compensated absences payable	(5,636,803)	
Workers' compensation liabilities	(6,020,099)	
		(51,874,375)
Total Net Position (Deficit)		$ (226,969,803)

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2026

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes	$ 228,972,991	$	$	$	$ 228,972,991
Other tax items	16,023,000				16,023,000
Charges for services	949,724				949,724
Use of money and property	3,141,946			31,541	3,173,487
Sale of property and compensation for loss	77,540				77,540
Miscellaneous	1,042,473			2,011,082	3,053,555
Intergovernmental revenue				937,875	937,875
State sources	36,397,419	2,754,779		2,656,059	41,808,257
Medicaid reimbursement	54,860				54,860
Federal sources	48,962	2,177,574		1,175,905	3,402,441
Sales				915,173	915,173
Total Revenues	286,708,915	4,932,353	-	7,727,635	299,368,903
EXPENDITURES					
General support	30,175,577				30,175,577
Instruction	152,924,371	5,402,947		1,568,950	159,896,268
Pupil transportation	14,118,361				14,118,361
Community services	281,831				281,831
Employee benefits	73,451,557				73,451,557
Debt service					
Principal	1,063,646			4,450,000	5,513,646
Interest	1,100,993			861,719	1,962,712
Food service program				3,954,127	3,954,127
Capital outlay			15,466,368		15,466,368
Total Expenditures	273,116,336	5,402,947	15,466,368	10,834,796	304,820,447
Excess (Deficiency) of Revenues Over Expenditures	13,592,579	(470,594)	(15,466,368)	(3,107,161)	(5,451,544)
OTHER FINANCING SOURCES AND (USES)					
Operating transfers in		470,594	4,325,000	4,373,855	9,169,449
Operating transfers (out)	(9,169,449)				(9,169,449)
Total Other Financing Sources and (Uses)	(9,169,449)	470,594	4,325,000	4,373,855	-
Net Change in Fund Balances	4,423,130	-	(11,141,368)	1,266,694	(5,451,544)
Fund Balances - Beginning of Year	50,888,111		13,009,320	1,424,166	65,321,597
Fund Balances - End of Year	$ 55,311,241	$ -	$ 1,867,952	$ 2,690,860	$ 59,870,053

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-wide Statement of Activities
For the Year Ended June 30, 2026

Net Change in Fund Balances		$ (5,451,544)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).	$ 10,597	
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	13,049	
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	(162,915)	
		(139,269)
Capital Related Differences		
Capital outlays to purchase or build capital assets, or obtain the right-to-use intangible assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation/amortization expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation/amortization expense in the period.		
Capital outlays and other additions	16,140,536	
Depreciation/amortization expense	(7,871,563)	
		8,268,973
Long-Term Debt Transactions Differences		
The amortization of the deferred premium decreases interest expense in the Statement of Activities.	165,560	
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Bond payable	4,450,000	
Lease liabilities	1,063,646	
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, 2025 to June 30, 2026.	(223,171)	
		5,456,035
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	13,605,639	
Employees' retirement system	7,548	
Other postemployment benefits	(8,265,675)	
		5,347,512
Change in Net Position of Governmental Activities		$ 13,481,707

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2026

	Custodial
ASSETS	
Due from governmental funds	$ 500,637
LIABILITIES	
Due to other governments	442,078
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 58,559

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2026

	Custodial
ADDITIONS	
Real property taxes and PILOT collected for the Library	$ 9,042,495
Teacher center receipts	103,245
Total Additions	9,145,740
DEDUCTIONS	
Real property taxes and PILOT disbursed to the Library	9,042,495
Teacher center disbursements	117,712
Total Deductions	9,160,207
Change in Net Position	(14,467)
Net Position - Beginning of Year	73,026
Net Position - End of Year	$ 58,559

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Syosset Central School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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 ("the Board") consisting of nine members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have the 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 shares planning, services, and programs which provide educational and support activities. BOCES are organized under §1950 of the New York State Education Law ("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 are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law (GML). A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital costs 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.

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 eliminate the double counting of interfund transactions. Governmental activities are generally financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants reflect capital-specific grants, if any.

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.

Funds Financial Statements

The funds financial statements provide information about the District's funds, including the fiduciary fund. 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 funds 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 government that provides the funds, or outside parties.

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

The following are the District's nonmajor governmental funds:

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.

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

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

Permanent Fund – 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 and PILOT collected on behalf of other governments and disbursed to those governments, and funds collected and disbursed on behalf of the teacher center.

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. Charges for services are recognized in the year the services are provided.

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

E. Real Property Taxes and Other Tax Items

Calendar

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

Enforcement

Uncollected real property taxes are subsequently enforced by Nassau County ("the County") in June.

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

PILOT payments collected on behalf of the Library are remitted to the Library. These pass-through amounts are not included in the District's other tax items revenue; however, the amounts are recorded within the custodial fund.

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. In response to the New York State Public Authorities Law §1020-q ("the LIPA Reform Act"), certain properties owned by LIPA were removed from the assessment and tax rolls and, instead, allowed LIPA to make payments instead of property taxes. These LIPA payments are not a result of tax abatement agreements as defined by GASB, but were designed to compensate local taxing jurisdictions for property tax revenue lost due to LIPA's tax-exempt status.

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.

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

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

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

I. Use of Estimates

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

J. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days 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 recorded when the transaction takes place, and the respective revenues are recognized as earned in the district-wide financial statements, and when available in the governmental funds financial statements. 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

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. 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.

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

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

M. Capital Assets and Intangible Assets

The district-wide financial statements report both capital and intangible assets, such as right-to-use leased assets. Capital assets are reported at actual cost, when the information is available, or at estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation. Intangible assets are reported based on the estimated lease liabilities calculated in accordance with GASB standards.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, intangible assets are amortized on a straight-line basis over the term of their underlying agreements, as follows:

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

N. Deferred Outflows of Resources

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

O. Short-Term Debt

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

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

P. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as student fees in the general fund, and prepaid meals and supply chain assistance monies in the nonmajor funds (school food service). These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

Q. Employee Benefits – Compensated Absences

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

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

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

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

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability is measured at the pay rate at the reporting date, including salary-related payments, such as Social Security and Medicare taxes.

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

R. Other Benefits

Eligible District employees participate in the TRS or the ERS.

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

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

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment 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 as set forth by GASB.

S. Long-Term Debt

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

In the governmental funds financial statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental funds financial resources.

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

T. Lease Liabilities

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term; the intangible right-to-use lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease liability is reduced by the principal portion of the lease payments made, and the intangible lease asset is amortized on a straight-line basis over the lease term.

U. Deferred Inflows of Resources

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

V. 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 and intangible assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, improvements of, and the right-to-use those assets, net of any unexpended proceeds.

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.

Governmental Funds Statements

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

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventory, which is recorded in the nonmajor funds (school food service fund and 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. The reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the ERS and TRS. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. Contributions to the TRS sub-fund are limited to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The TRS sub-fund is separately administered, but must comply with all the existing provisions of GML. These reserves are accounted for in the general fund.

Insurance Reserve

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

Employee Benefit Accrued Liability Reserve

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

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve 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. The 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 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 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 debt, and premiums and accrued interest on long-term borrowings are recorded in the nonmajor funds (debt service) and held until appropriated for debt payments. These restricted amounts are accounted for in the nonmajor funds (debt service).

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 nonmajor funds (scholarships).

Restricted – Unspent Debt Proceeds

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

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

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

Fund Balance Classification

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

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

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

2. ADOPTION OF GASB STATEMENTS

For the year ended June 30, 2026, the District adopted the following GASB Statements, which had no impact on the financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements,* was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets,* requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

3. FUTURE ACCOUNTING STANDARDS

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

Effective for the Year Ending	**Statement**
June 30, 2027	GASB No. 105 – *Subsequent Events*

GASB Statement No. 105 was issued to improve financial reporting related to subsequent events by clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events, and by specifying the information items that are required to be disclosed about subsequent events.

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

Due to the differences in the measurement focus and basis of accounting used in the district-wide statements and the governmental funds 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 funds Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, long-term assets and liabilities, and deferred inflows of resources.

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on the governmental funds 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 acquisition or financing of capital items in the governmental funds statements and depreciation/amortization expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year may be 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 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:

Instructional expenditures funded by donations	$ 2,825

Budgets are adopted annually on a basis consistent with U.S. GAAP, and 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.

C. Capital Projects Fund – Unassigned Fund Balance Deficit

The capital projects fund has an unassigned fund balance deficit of $2,558,788. This will be cleared when permanent financing occurs.

D. Unrestricted Net Position Deficit

At June 30, 2026, the governmental activities reported an unrestricted net position deficit of $417,259,207. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liability and total OPEB liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liabilities on a "pay as you go" basis, has resulted in a negative unrestricted net position. The District remains committed to its employees and retirees by continuing to make all required contributions to the pension plans and including these amounts in its annual budget to cover its share of the costs of postemployment health insurance coverage.

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

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

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

Investment Pool:

The District participates in the New York Cooperative Liquid Assets Securities System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to GML Articles 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. NYCLASS is rated AAAm by S&P Global Ratings. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS portfolio holdings are collateralized in accordance with GML §10.

The District's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2026, was 48 days and the weighted average life (WAL) was 77 days. These investments are included in cash, as follows:

Fund	Carrying Amount
General Fund	$ 12,286,048
Capital Projects Fund	48,796,180
	$ 61,082,228

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value. The lead participant of NYCLASS is the Village of Rhinebeck. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

7. PARTICIPATION IN BOCES

During the year ended June 30, 2026, the District was billed $13,356,498 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $4,927,417. Financial statements for BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

8. TAXES RECEIVABLE

Taxes receivable at June 30, 2026, consisted of:

General Fund	
Nassau County - school tax	$ 6,321,239

District management expects these amounts to be fully collectible.

9. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2026, consisted of:

General Fund	
New York State - General aid	$ 306,602
New York State - Excess cost aid	717,728
BOCES aid	2,602,943
New York State - Other	36,682
	3,663,955
Special Aid Fund	
State and federal grants	2,698,990
Capital Projects Fund	
Smart Schools Bond Act	108,633
Nonmajor Funds	
State and federal food service program reimbursements	602,834
	$ 7,074,412

District management expects these amounts to be fully collectible.

10. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2026, consisted of:

General Fund	
Other Districts - Tuition and health services	$ 347,275
Miscellaneous	64,164
	411,439
Capital Projects Fund	
Nassau County Grant - Fitness center	75,000
	$ 486,439

District management expects these amounts to be fully collectible.

11. CAPITAL ASSETS

A. Changes

Capital assets balances and activity for the year ended June 30, 2026, were as follows:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026
Governmental activities				
Capital assets not being depreciated:				
Land	$ 1,254,281	$	$	$ 1,254,281
Construction in progress	26,914,736	15,239,041	(3,068,883)	39,084,894
Total capital assets not being depreciated	28,169,017	15,239,041	(3,068,883)	40,339,175
Capital assets being depreciated/amortized:				
Buildings and improvements	195,451,547	3,296,210		198,747,757
Land improvements	14,514,562	13,675		14,528,237
Furniture, equipment, and vehicles	21,063,387	660,493	(32,936)	21,690,944
Leased equipment and fixtures	6,123,693		(4,860,202)	1,263,491
Total capital assets being depreciated/amortized	237,153,189	3,970,378	(4,893,138)	236,230,429
Less accumulated depreciation/amortization for:				
Buildings and improvements	86,201,473	5,408,391		91,609,864
Land improvements	4,817,093	361,028		5,178,121
Furniture, equipment, and vehicles	13,497,011	1,053,675	(32,936)	14,517,750
Leased equipment and fixtures	4,569,482	1,048,469	(4,860,202)	757,749
Total accumulated depreciation/amortization	109,085,059	7,871,563	(4,893,138)	112,063,484
Total capital assets, being depreciated/amortized, net	128,068,130	(3,901,185)	-	124,166,945
Capital assets, net	$ 156,237,147	$ 11,337,856	$ (3,068,883)	$ 164,506,120

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

General support	$ 874,328
Instruction	6,571,110
Pupil transportation	337,392
Community service	9,413
Food service program	79,320
Total depreciation/amortization expense	$ 7,871,563

B. Lease Assets

The District has entered into various lease arrangements whose terms vary between three and five years with discount rates ranging from 1.08% to 4.85%. These leases are included in leased equipment and fixtures as indicated in the previous table. The District has not provided any residual value guarantees related to these leased capital assets. The District is not aware of any impairments for lease assets.

C. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital or intangible assets to determine whether impairment of a capital or intangible asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2026, the District did not record any such impairment losses.

12. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2026, were as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	$ 3,694,977	$ 1,577,185	$	$ 9,169,449
Special Aid Fund	64,663	2,443,015	470,594	
Capital Projects Fund	917,677	1,251,962	4,325,000	
Nonmajor Funds	94,208		4,373,855	
Total Governmental Funds	4,771,525	5,272,162	$ 9,169,449	$ 9,169,449
Custodial Fund	500,637			
Total	$ 5,272,162	$ 5,272,162		

The District typically transfers from the general fund to the special aid fund, capital projects fund, and nonmajor funds (school food service fund, and debt service fund), per the approved budget. The transfer to the special aid fund was for the District's share of the costs for summer programs for students with disabilities and the state-supported Section 4201 schools. The transfer to the capital projects fund was provided through the 2025-2026 budget for capital improvement projects.

The transfer to the school food service fund was to provide support for the program per the approved budget, and/or reimburse the school food service fund for unpaid student meals balances in accordance with state regulations, and the transfer to the debt service fund was for the payment of principal and interest on long-term outstanding indebtedness.

13. SHORT-TERM DEBT

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

	Maturity	Stated Interest Rate	Balance June 30, 2025	Issued	Redeemed	Balance June 30, 2026
TAN	6/2026	4.00%	$ -	$ 30,000,000	$ (30,000,000)	$ -
BAN	4/2027	3.25%	-	54,000,000	-	54,000,000
			$ -	$ 84,000,000	$ (30,000,000)	$ 54,000,000

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

The BAN was issued to provide cash for the District's capital projects.

Interest on the TAN for the year was $1,063,333. The District received a premium of $321,900, which is included in miscellaneous revenue in the general fund. The effective net interest rate was 2.7891%.

No interest was due and payable on the BAN through June 30, 2026. The District received a premium of $453,060, which is in miscellaneous revenue in the debt service fund. The effective net interest rate was 2.4110%.

14. LONG-TERM LIABILITIES

A. Changes

At June 30, 2026, the long-term liabilities schedule has been updated to include the District's proportionate share of the net pension liability. Long-term liabilities balances and activities for the year are summarized below:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Long-term debt:					
Bonds payable	$ 43,460,000	$	$ (4,450,000)	$ 39,010,000	$ 3,235,000
Premiums on bonds	444,763		(165,560)	279,203	52,017
	43,904,763	-	(4,615,560)	39,289,203	3,287,017
Lease liabilities	1,590,996		(1,063,646)	527,350	212,088
	45,495,759		(5,679,206)	39,816,553	3,499,105
Other long-term liabilities:					
Compensated absences payable	5,649,852		(13,049)	5,636,803	1,276,978
Workers' compensation liabilities	5,857,184	1,065,049	(902,134)	6,020,099	1,183,304
Total OPEB liability	401,769,321	60,058,554	(17,054,248)	444,773,627	17,054,248
Net pension liability - proportionate share	10,332,578		(6,860,322)	3,472,256	
	423,608,935	61,123,603	(24,829,753)	459,902,785	19,514,530
	$ 469,104,694	$ 61,123,603	$ (30,508,959)	$ 499,719,338	$ 23,013,635

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

Additions and reductions to compensated absences are shown net. The maturity of compensated absences is not determinable.

See the following Notes for additional information on other long-term liabilities:

- For judgements and claims payable, see "Commitments and Contingencies"
- For the workers' compensation liability, see "Risk Management"
- For total OPEB liability, see "Postemployment Healthcare Benefits"
- For net pension liability – proportionate share, see "Pension Plans – New York State"

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2026
Serial bonds (refunding)	5/2015	7/2026	2.0-5.0 %	$ 150,000
Serial bonds	9/2019	12/2039	2.0-2.25%	21,885,000
Serial bonds	7/2020	7/2036	2.0%	16,975,000
				$ 39,010,000

The following is a summary of principal and interest requirements for bonds payable:

Year Ending June 30,	Principal	Interest	Total
2027	$ 3,235,000	$ 761,369	$ 3,996,369
2028	3,155,000	695,219	3,850,219
2029	3,200,000	631,669	3,831,669
2030	3,285,000	566,819	3,851,819
2031	3,330,000	500,669	3,830,669
2032 - 2036	17,390,000	1,473,644	18,863,644
2037 - 2040	5,415,000	180,053	5,595,053
Total	$ 39,010,000	$ 4,809,442	$ 43,819,442

C. Remedies Upon Default in Bonds Payments

The bonds are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and remedies for enforcement of payment are not expressly included in the District's contract with such owners. Upon default in the payment of principal of or interest on the bonds at the suit of the owner, a court has the power, in proper and appropriate proceedings, to render judgment against the District. A court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available, therefore, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy.

Section 99-b of the State Finance Law provides for a covenant between New York State and the purchasers and the holders and owners from time to time of the bonds issued by school districts in New York State. In the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the Office of the New York State Comptroller ("the OSC"), a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both. The OSC shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such state aid or assistance due to such school district such amount thereof as may be required to pay the principal of and interest on such bonds of such school district then in default. In the event such state aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the OSC shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such state aid or assistance due such school district such amount or amounts thereof as may be required to cure such default.

D. Premium on Obligation

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

Year Ending June 30,	Amortization of Premium
2027	$ (52,017)
2028	(46,915)
2029	(41,734)
2030	(36,432)
2031	(31,009)
2032 - 2036	(71,096)
Total	$ (279,203)

E. Lease Liabilities

Lease liabilities is comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2026
Canon IMC print shop	9/2022	8/2026	2.275%	$ 11,388
Chromebooks and cases	7/2023	6/2028	4.420%	215,379
Computer equipment	7/2024	6/2029	4.850%	300,583
				$ 527,350

The following is a summary of principal and interest requirements for lease liabilities:

Year Ending June 30,	Principal	Interest	Total
2027	$ 212,088	$ 19,912	$ 232,000
2028	210,181	10,399	220,580
2029	105,081	2,781	107,862
Total	$ 527,350	$ 33,092	$ 560,442

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

F. Interest Expense

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

Interest paid	$	899,379
Less interest accrued in the prior year		(177,749)
Plus interest accrued in the current year		400,920
Less amortization of deferred amounts		(165,560)
Total interest expense on long-term debt	$	956,990

G. 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, 2026, the Library paid $937,875 towards the current debt service payments.

15. PENSION PLANS – NEW YORK STATE

A. General Information

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

B. Provisions and Administration

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the TRS may be found on the TRS website at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Employees' Retirement System

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund ("the Fund"), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York ("the Comptroller") serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership

is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12244.

C. Funding Policies

Chapter 58 of the Laws of 2026 amended the New York State Tier 6 benefits structures by lowering employee contribution rates effective October 1, 2026, increasing pensionable overtime caps effective January 1, 2027, for ERS, and reducing the unreduced retirement age from 63 to 58 for TRS members with 30 years of service effective April 1, 2026.

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.11% of covered payroll for the TRS' fiscal year ended June 30, 2025. The District's average contribution rate was 15.76% of covered payroll for the ERS' fiscal year ended March 31, 2026.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2026 was $11,785,998 for TRS at the contribution rate of 9.59% and $4,170,880 for ERS at an average contribution rate of 15.56%.

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

At June 30, 2026, 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, 2025, for TRS and March 31, 2026 for ERS. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2026
District's proportionate share of the net pension asset/(liability)	$ 36,226,969	$ (3,472,256)
District's portion of the Plan's net pension liability	0.611833%	0.0615458%
Change in proportion since the prior measurement date	0.004409	0.0012825

For the year ended June 30, 2026, the District recognized a pension expense (credit) of $(1,819,641) for TRS and $4,163,332 for ERS. At June 30, 2026, 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	$ 18,991,009	$ 1,987,029	$	$
Changes of assumptions	14,341,130	596,033	390,586	
Net difference between projected and actual earnings on pension plan investments			28,293,172	6,225,947
Changes in proportion and differences between the District's contributions and proportionate share of contributions	533,199	1,160,722	168,625	525,380
District contributions subsequent to the measurement date	11,785,998	1,405,445		
Total	$ 45,651,336	$ 5,149,229	$ 28,852,383	$ 6,751,327

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. 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
2027	$ 18,463,028	$ 1,531,960
2028	(7,618,423)	(2,111,871)
2029	(8,090,067)	(1,178,358)
2030	(1,610,291)	(1,249,274)
2031	3,203,237	
Thereafter	665,471	
	$ 5,012,955	$ (3,007,543)

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, 2025	March 31, 2026
Actuarial valuation date	June 30, 2024	April 1, 2025
Inflation	2.50%	2.90%
Salary increases	2.04 - 5.80%	5.20%
Investment rate of return (net of investment expense, including inflation)	6.95%	5.90%
Cost of living adjustments	1.40%	1.50%

For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021 for June 30, 2025, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2020 – March 31, 2025 system experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For TRS, the demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024. TRS runs one year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. For full details, please refer to the Recommended Actuarial Assumptions 2025 Report, which can be found on the TRS' website located at www.nystrs.org.

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* and generally accepted accounting principles. 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. Demographic assumptions used in the April 1, 2025 actuarial evaluation are based on the results of an actuarial experience study completed March 31, 2025. Demographic assumptions are primarily based on system experience over the period April 1, 2020 – March 31, 2025.

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

	TRS		ERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		June 30, 2025		March 31, 2026
Asset class				
Domestic equity	33.0%	6.70%	25.0%	3.29%
International equity	15.0%	7.40%	14.0%	5.85%
Global equity	4.0%	7.00%		
Real estate equity	11.0%	6.50%	12.0%	5.20%
Private equity	9.0%	9.80%	15.0%	7.00%
Alternatives investments			11.0%	5.10-5.54%
Domestic fixed income	16.0%	2.60%		
High-yield bonds	1.0%	4.70%		
Global bonds	2.0%	2.40%		
Fixed income			22.0%	1.75%
Private debt	2.0%	6.10%		
Real estate debt	6.0%	3.80%		
Cash equivalents	1.0%	0.60%		
Cash			1.0%	0.25%
	100.0%		100.0%	

Real rates of return are net of a long-term inflation assumption of 2.5% for TRS and 2.9% for ERS.

Discount Rate

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

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

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

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
District's proportionate share of the net pension asset/(liability)	$ (69,610,580)	$ 36,226,969	$ 125,283,759

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	$ (23,714,559)	$ (3,472,256)	$ 13,451,205

Pension Plan Fiduciary Net Position

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

	TRS	ERS
	(Dollars in Thousands)	
Measurement date	June 30, 2025	March 31, 2026
Employers' total pension liability	$ (148,272,069)	$ (253,773,040)
Plan fiduciary net position	154,193,125	248,131,290
Employers' net pension asset/(liability)	$ 5,921,056	$ (5,641,750)
Ratio of plan fiduciary net position to the employers' total pension liability	103.99%	97.78%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026, are paid to the system in September, October, and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026, represent employer and employee contributions for the fiscal year ended June 30, 2026, 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, 2026 amounted to $11,785,998 of employer contributions and $2,017,432 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, 2026, represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $1,405,445 of employer contributions. Employee contributions are remitted monthly.

16. PENSION PLANS - OTHER

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 collectively bargained agreements; Contributions made by the District and the employees for the year ended June 30, 2026, totaled $35,000 and $6,995,320, respectively.

17. 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.

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

Employees Covered by Benefit Terms – At July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,244
Active employees	887
	2,131

B. Total OPEB Liability

The District's total OPEB liability of $444,773,627 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2024. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

Inflation	2.40%	
Salary increases	2.40%	average, including inflation
Discount rate	4.67%	
Healthcare cost trend rates	5.90%	decreasing to an ultimate rate of 3.80% by 2073
Retirees' share of benefit-related costs	22.00%	Superintendent
	0.00%	Administrators - first eligible
	10.00%-11.00%	Administrators post-eligible and all other employees

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

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

The actuarial assumptions used in the June 30, 2026 measurement date valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C. Changes in the Total OPEB Liability

Balance at June 30, 2025	$ 401,769,321
Changes for the year	
Service cost	9,581,856
Interest on total OPEB liability	20,952,470
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	29,524,228
Benefit payments	(17,054,248)
	43,004,306
Balance at June 30, 2026	$ 444,773,627

Changes of assumptions and other inputs reflect a change in the discount rate from 5.20% in 2025 to 4.67% in 2026.

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 (3.67%) or 1 percentage point higher (5.67%) than the current discount rate:

OPEB	1% Decrease 3.67%	Discount Rate 4.67%	1% Increase 5.67%
Total OPEB liability	$ (509,873,840)	$ (444,773,627)	$ (391,511,163)

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 (4.90%) or 1 percentage point higher (6.90%) than the current healthcare cost trend rate:

OPEB	1% Decrease 4.90% decreasing to 2.80%	Healthcare Cost Trend Rates 5.90% decreasing to 3.80%	1% Increase 6.90% decreasing to 4.80%
Total OPEB liability	$ (379,434,448)	$ (444,773,627)	$ (527,071,974)

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

For the year ended June 30, 2026, the District recognized OPEB expense of $25,319,923. At June 30, 2026, 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	$ 40,380,295	$ 12,802,805
Changes of assumptions or other inputs	44,498,959	74,909,624
Total	$ 84,879,254	$ 87,712,429

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

Year Ending June 30,	Amount
2027	$ (10,335,465)
2028	(127,059)
2029	1,729,168
2030	3,216,158
2031	2,684,023
	$ (2,833,175)

18. RISK MANAGEMENT

A. General Information

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

B. Risk Retention

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities did include an amount for claims, which were incurred on or before year end, but not reported (IBNR). The liability is calculated using a 3.0% interest rate. Claims activity is summarized below:

	2025	2026
Unpaid claims at beginning of year	$ 5,285,727	$ 5,857,184
Incurred claims and claim adjustment expenses	1,742,965	1,065,049
Claim payments	(1,171,508)	(902,134)
Unpaid claims at year end	$ 5,857,184	$ 6,020,099

At June 30, 2026, the District had $3,889,008 of funds in the workers' compensation reserve.

19. FUND BALANCE – GOVERNMENTAL FUNDS

A. Fund Balance

The following is a summary of fund balance classifications by fund:

	General	Capital Projects	Nonmajor	Total Governmental Funds
Nonspendable:				
Inventory	$	$	$ 15,061	$ 15,061
Scholarships			3,000	3,000
	-	-	18,061	18,061
Restricted				
Workers' compensation	3,889,008			3,889,008
Unemployment insurance	710,915			710,915
Retirement contribution				
TRS	8,880,301			8,880,301
ERS	15,914,143			15,914,143
Insurance	182,106			182,106
EBAL	2,924,178			2,924,178
Capital	6,377,075	1,538,916		7,915,991
Repairs	191,531			191,531
Debt			502,258	502,258
Scholarships			287	287
Unspent debt proceeds		2,887,824		2,887,824
	39,069,257	4,426,740	502,545	43,998,542
Assigned:				
Appropriated FB	2,900,000			2,900,000
Unappropriated FB	1,067,011		2,170,254	3,237,265
	3,967,011	-	2,170,254	6,137,265
Unassigned: FB (Deficit)	12,274,973	(2,558,788)		9,716,185
Total Fund Balance	$ 55,311,241	$ 1,867,952	$ 2,690,860	$ 59,870,053

B. Restricted for Capital Reserves

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

Date Created	June 2020
Number of Years to Fund	10
Maximum Funding	$ 20,000,000
General Fund	
Funding Provided	$ 11,525,000
Interest Earnings	1,120,861
Use of Reserve	(6,268,786)
Total General Fund	6,377,075
Capital Projects Fund	
Funding Provided	6,268,786
Use of Reserve	(4,729,870)
Total Capital Projects Fund	1,538,916
Balance as of June 30, 2026	$ 7,915,991

20. FUND BALANCE APPROPRIATED FOR THE 2026-2027 BUDGET

A. Restricted Fund Balance – Appropriated Reserves

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2026 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2027:

Workers' Compensation	$ 1,025,000
Unemployment Insurance	50,000
Retirement Contribution	
Teachers' Retirement System	2,875,000
Employees' Retirement System	5,000,000
Employee Benefit Accrued Liability	510,000
	$ 9,460,000

B. Assigned - Appropriated Fund Balance

The amount of $2,900,000 has been appropriated to reduce taxes for the year ending June 30, 2027.

21. TAX ABATEMENTS

The Nassau County Industrial Development Agency and the Town of Oyster Bay, enter into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced by $12,560,127. The District received PILOT totaling $6,693,964.

In addition, the District recognized $5,440,234 in LIPA PILOT, which is included in other tax items revenue; however, these payments are not the result of a tax abatement.

22. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. At June 30, 2026, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	
Capital Projects	$ 32,537,714
Assigned: Unappropriated Fund Balance:	
General Fund	
General Support	458,022
Instruction	72,423
Pupil Transportation	536,566
	1,067,011
Capital Projects Fund	
Capital Projects	2,188,777
	$ 35,793,502

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 has determined that it is not possible to determine with probability the outcome of legal matters, and whether there will be a financial impact to the District.

23. SUBSEQUENT EVENTS

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

Issuance of Tax Anticipation Notes:

On August 13, 2026, the District issued tax anticipation notes in the amount of $28,000,000, which are due June 25, 2027, and bear interest at a stated rate of 4.00%. The District received a premium of $280,280 with the borrowings, to yield an effective net interest rate of 2.8450%.

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Final Budget Variance with Original Budget	Actual	Final Budget Variance with Actual
REVENUES					
Local Sources					
Real property taxes	$ 228,898,799	$ 228,898,799	$ -	$ 228,972,991	$ 74,192
Other tax items	14,439,251	14,439,251	-	16,023,000	1,583,749
Charges for services	895,030	895,030	-	949,724	54,694
Use of money and property	2,588,310	2,588,310	-	3,141,946	553,636
Sale of property and compensation for loss	202,211	202,211	-	77,540	(124,671)
Miscellaneous	802,120	804,945	2,825	1,042,473	237,528
Total Local Sources	247,825,721	247,828,546	2,825	250,207,674	2,379,128
State Sources	35,879,264	35,879,264	-	36,397,419	518,155
Medicaid Reimbursement	75,000	75,000	-	54,860	(20,140)
Federal Sources			-	48,962	48,962
Total Revenues	283,779,985	283,782,810	2,825	286,708,915	$ 2,926,105
APPROPRIATED FUND BALANCE					
Prior Years' Surplus	2,900,000	2,900,000	-		
Prior Year's Encumbrances	403,193	403,193	-		
Appropriated Reserves	9,142,435	9,142,435	-		
Total Appropriated Fund Balance	12,445,628	12,445,628	-		
Total Revenues and Appropriated Fund Balance	$ 296,225,613	$ 296,228,438	$ 2,825		

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 (Unaudited) (Continued)
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Final Budget Variance with Original Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES						
General Support						
Board of education	$ 192,813	$ 195,813	$ 3,000	$ 175,085	$	$ 20,728
Central administration	384,100	384,100	-	381,449		2,651
Finance	1,429,277	1,439,277	10,000	1,243,090	26,345	169,842
Staff	1,638,210	1,887,506	249,296	1,882,503		5,003
Central services	25,676,430	25,357,184	(319,246)	23,413,300	431,677	1,512,207
Special items	3,247,804	3,158,534	(89,270)	3,080,150		78,384
Total General Support	32,568,634	32,422,414	(146,220)	30,175,577	458,022	1,788,815
Instruction						
Administration & improvement	10,503,255	10,612,525	109,270	10,132,382	849	479,294
Teaching - regular school	90,018,683	89,915,244	(103,439)	86,606,624	45,923	3,262,697
Programs for students with disabilities	34,467,715	34,445,715	(22,000)	33,505,323	369	940,023
Occupational education	590,000	580,000	(10,000)	441,743		138,257
Teaching - special schools	543,324	543,324	-	488,304		55,020
Instructional media	8,179,799	7,349,692	(830,107)	6,768,254	3,883	577,555
Pupil services	15,908,620	15,972,635	64,015	14,981,741	21,399	969,495
Total Instruction	160,211,396	159,419,135	(792,261)	152,924,371	72,423	6,422,341
Pupil Transportation	16,138,237	16,138,237	-	14,118,361	536,566	1,483,310
Community Services	306,078	306,078	-	281,831		24,247
Employee Benefits	77,007,924	76,596,724	(411,200)	73,451,557		3,145,167
Debt Service						
Principal	-	1,063,646	1,063,646	1,063,646		-
Interest	937,500	1,101,160	163,660	1,100,993		167
Total Debt Service	937,500	2,164,806	1,227,306	2,164,639	-	167
Total Expenditures	287,169,769	287,047,394	(122,375)	273,116,336	1,067,011	12,864,047
OTHER FINANCING USES						
Operating Transfers Out	9,055,844	9,181,044	125,200	9,169,449		11,595
Total Expenditures and Other Financing Uses	$ 296,225,613	$ 296,228,438	$ 2,825	282,285,785	$ 1,067,011	$ 12,875,642
Net Change in Fund Balance				4,423,130		
Fund Balance - Beginning of Year				50,888,111		
Fund Balance - End of Year				$ 55,311,241		

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.

The original budget reported includes the voter-approved budget for June 30, 2026, plus prior year encumbrances (valid legal commitments) carried forward from June 30, 2025.

SYOSSET CENTRAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparisons (Unaudited)
For the Year Ended June 30, 2026

Budgetary Basis of Accounting

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

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 may be 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 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. These notes are not intended to identify or explain every variance. The variance explanations and related operational commentary presented in this comparison represent the analysis and views of management.

General Fund Original Budget to Final Budget Highlights

Expenditures

The following is a brief summary of significant budget to budget expenditure changes:

Debt Service Principal: The change in the budget is attributable to the accounting treatment required under GASB Statement No. 87, Leases. Principal payments related to leased assets are recorded for financial reporting purposes in the debt service function, but are budgeted in the expenditure code where they are normally expended. This results in a variance between the original budget and the final budget.	$	1,063,646

General Fund Budget to Actual Highlights

Final Budget Compared to Actual Revenues

The following is a brief summary of actual revenue amounts that were greater than anticipated:

Other Tax Items: The favorable revenue variance was primarily attributable to the timing of payments in lieu of taxes (PILOT), that was confirmed to have expired, but not yet put back on the tax roll, along with two new PILOTS that began during the current year. Additionally, higher than forecast LIPA PILOTS contributed to the positive variance.	1,583,749

Final Budget Compared to Actual Expenditures

The following is a brief summary of actual expenditure amounts that were less than budgeted, excluding subsequent year encumbrances:

General Support: Central Services - Positive variances in the custodial and maintenance codes, as a result of lower than anticipated staffing and overtime costs for maintenance and security. Contracted services for maintenance and security were also lower than anticipated.	1,234,411
Pupil Transportation: The District realized lower than forecasted contractual transportation costs after the District's request for proposal (RFP) process and subsequent negotiation for transportation services with the District's contractor.	1,483,310
Employee Benefits: ERS, TRS, Social Security, Hospital, Medical, and Dental Benefits - Savings in ERS, TRS, and Social Security were a direct result of lower than anticipated staffing costs. Additionally, premium increases for health insurance lower than forecasted resulting in savings of budget.	3,145,167

Final Budget Compared to Actual Expenditures

The following is a brief summary of actual expenditure amounts that were less than budgeted:

General Support: Central Services - Contractual services for operation and maintenance of plant.	365,213
Instruction: Programs for Students with Disabilities - Tuition paid to public districts in NYS and BOCES.	406,802
Employee Benefits: Hospital, Medical, and Dental Benefits.	1,014,818

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

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net pension asset/(liability										
District's proportion	0.611833%	0.607424%	0.623004%	0.622783%	0.623005%	0.624509%	0.630640%	0.637409%	0.642724%	0.646732%
District's proportionate share	$ 36,226,969	$ 18,123,159	$ (7,124,581)	$ (11,950,526)	$ 107,960,814	$ (17,256,861)	$ 16,384,076	$ 11,526,035	$ 4,885,341	$ (6,926,774)
District's covered payroll	$ 120,133,610	$ 115,983,391	$ 115,110,049	$ 112,984,876	$ 105,743,945	$ 105,992,404	$ 106,308,429	$ 104,829,796	$ 102,684,340	$ 99,797,318
District's proportionate share as a percentage of its covered payroll	30.16%	15.63%	6.19%	10.58%	102.10%	16.28%	15.41%	10.99%	4.76%	6.94%
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%
Discount Rate	6.95%	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%

Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net pension asset/(liability										
District's proportion	0.0615458%	0.0602633%	0.0669064%	0.0681079%	0.0681679%	0.0609742%	0.0601077%	0.0604660%	0.0624631%	0.0619990%
District's proportionate share	$ (3,472,256)	$ (10,332,578)	$ (9,851,330)	$ (14,605,089)	$ 5,572,443	$ (60,714)	$ (15,916,856)	$ (4,284,202)	$ (2,015,963)	$ (5,825,569)
District's covered payroll	$ 25,576,447	$ 24,205,707	$ 23,741,596	$ 23,740,518	$ 22,812,374	$ 20,952,844	$ 20,056,573	$ 20,063,465	$ 19,472,315	$ 19,756,679
District's proportionate share as a percentage of its covered payroll	13.58%	42.69%	41.49%	61.52%	24.43%	0.29%	79.36%	21.35%	10.35%	29.49%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
Discount Rate	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

See Paragraph on Required Supplementary Information Included in Auditor's Report

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

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 11,785,998	$ 12,145,508	$ 11,319,979	$ 11,844,824	$ 10,811,431	$ 10,077,398	$ 9,390,927	$ 11,179,049	$ 10,210,954	$ 11,934,097
Contributions in relation to the contractually required contribution	11,785,998	12,145,508	11,319,979	11,844,824	10,811,431	10,077,398	9,390,927	11,179,049	10,210,954	11,934,097
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 122,898,832	$ 120,133,610	$ 115,983,391	$ 115,110,049	$ 112,984,876	$ 105,743,945	$ 105,992,404	$ 106,308,429	$ 104,829,796	$ 102,684,340
Contributions as a percentage of covered payroll	10%	10%	10%	10%	10%	10%	9%	11%	10%	12%

Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 4,170,880	$ 3,669,034	$ 3,180,862	$ 2,681,397	$ 3,353,497	$ 3,075,985	$ 2,804,507	$ 2,814,500	$ 2,953,311	$ 2,743,880
Contributions in relation to the contractually required contribution	4,170,880	3,669,034	3,180,862	2,681,397	3,353,497	3,075,985	2,804,507	2,814,500	2,953,311	2,743,880
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 26,813,737	$ 26,004,647	$ 24,709,518	$ 24,257,332	$ 23,377,152	$ 22,100,180	$ 20,955,369	$ 20,026,091	$ 19,647,613	$ 19,180,199
Contributions as a percentage of covered payroll	16%	14%	13%	11%	14%	14%	13%	14%	15%	14%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability									
Service cost	$ 9,581,856	$ 13,124,530	$ 12,411,486	$ 10,959,616	$ 18,867,464	$ 14,228,085	$ 12,212,805	$ 15,914,697	$ 12,696,778
Interest on total OPEB liability	20,952,470	15,990,439	14,944,584	13,436,791	10,021,058	9,455,937	12,073,435	10,991,984	10,505,393
Differences between expected and actual experience	-	60,570,443	-	(15,638,073)	-	(63,063,280)	-	27,358,576	(1,481,942)
Changes of assumptions or other inputs	29,524,228	(73,481,736)	(16,333,142)	31,680,099	(94,749,217)	80,210,319	66,354,513	(61,967,401)	-
Benefit payments	(17,054,248)	(16,226,074)	(12,409,561)	(11,640,446)	(9,607,419)	(9,199,651)	(10,244,232)	(9,851,342)	(7,602,239)
Net change in total OPEB liability	43,004,306	(22,398)	(1,386,633)	28,797,987	(75,468,114)	31,631,410	80,396,521	(17,553,486)	14,117,990
Total OPEB liability, beginning	401,769,321	401,791,719	403,178,352	374,380,365	449,848,479	418,217,069	337,820,548	355,374,034	341,256,044
Total OPEB liability, ending	$ 444,773,627	$ 401,769,321	$ 401,791,719	$ 403,178,352	$ 374,380,365	$ 449,848,479	$ 418,217,069	$ 337,820,548	$ 355,374,034
Covered employee payroll	$ 106,052,740	$ 106,052,740	$ 102,462,367	$ 103,462,367	$ 106,294,438	$ 106,294,438	$ 113,117,179	$ 113,117,179	$ 127,500,612
Total OPEB liability as a percentage of covered employee payroll	419.39%	378.84%	392.14%	389.69%	352.21%	423.21%	369.72%	298.65%	278.72%
Discount rate	4.67%	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	4.10%
Healthcare trend rates	5.90% to 3.80% by 2073	6.60% to 3.80% by 2073	6.40% to 3.80% by 2073	6.40% to 3.80% by 2073	5.30% to 4.10% over 55 years	5.30% to 4.10% over 55 years	6.10% to 4.10% over 57 years	6.10% to 4.10% over 57 years	7.50% to 4.50% in 2022

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

Note to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria as set forth by GASB to pay related benefits.

SYOSSET CENTRAL SCHOOL DISTRICT
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2026

	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Permanent	Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents						
Unrestricted	$ 1,803,548	$	$ 712,407	$	$	$ 2,515,955
Restricted		502,258		287	3,000	505,545
Receivables						
Accounts receivable	750		1,117			1,867
Due from other funds	94,208					94,208
Due from state and federal	602,834					602,834
Inventory	15,061					15,061
Total Assets	$ 2,516,401	$ 502,258	$ 713,524	$ 287	$ 3,000	$ 3,735,470
LIABILITIES						
Payables						
Accounts payable	$ 451,087	$	$ 26,585	$	$	$ 477,672
Accrued liabilities	7,109					7,109
Due to other governments	16,697					16,697
Unearned credits						
Collections in advance	543,132					543,132
Total Liabilities	1,018,025	-	26,585	-	-	1,044,610
FUND BALANCES						
Nonspendable:						
Inventory	15,061					15,061
Scholarships					3,000	3,000
Restricted:						
Debt		502,258				502,258
Scholarships				287		287
Assigned: Unappropriated fund balance	1,483,315		686,939			2,170,254
Total Fund Balances	1,498,376	502,258	686,939	287	3,000	2,690,860
Total Fund Balances	$ 2,516,401	$ 502,258	$ 713,524	$ 287	$ 3,000	$ 3,735,470

SYOSSET CENTRAL SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2026

	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Permanent	Nonmajor Governmental Funds
REVENUES						
Use of money and property	$ 22,871	$ 8,618	$	$ 52	$	$ 31,541
Miscellaneous	115	453,060	1,557,907			2,011,082
Intergovernmental revenue		937,875				937,875
State sources	2,656,059					2,656,059
Federal sources	1,175,905					1,175,905
Sales	915,173					915,173
Total Revenues	4,770,123	1,399,553	1,557,907	52	-	7,727,635
EXPENDITURES						
Instruction			1,568,950			1,568,950
Debt service						
Principal		4,450,000				4,450,000
Interest		861,719				861,719
Food service program	3,954,127					3,954,127
Total Expenditures	3,954,127	5,311,719	1,568,950	-	-	10,834,796
Excess (Deficiency) of Revenues Over Expenditures	815,996	(3,912,166)	(11,043)	52	-	(3,107,161)
OTHER FINANCING SOURCES AND (USES)						
Operating transfers in	11	4,373,844				4,373,855
Net Change in Fund Balances	816,007	461,678	(11,043)	52	-	1,266,694
Fund Balances - Beginning of Year	682,369	40,580	697,982	235	3,000	1,424,166
Fund Balances - End of Year	$ 1,498,376	$ 502,258	$ 686,939	$ 287	$ 3,000	$ 2,690,860

SYOSSET CENTRAL SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund (Unaudited)
For the Year Ended June 30, 2026

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 295,822,420
Additions:	
Prior year's encumbrances	403,193
Original Budget	296,225,613
Budget revision	2,825
Final Budget	$ 296,228,438

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026-2027 voter-approved expenditure budget		$ 306,874,324
Maximum allowed (4% of 2026-2027 budget)		$ 12,274,973
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 3,967,011	
Unassigned fund balance	12,274,973	
		$ 16,241,984
Less:		
Appropriated fund balance	2,900,000	
Encumbrances	1,067,011	
Total adjustments		3,967,011
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		$ 12,274,973
Actual Percentage		4.00%

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Unaudited)
For the Year Ended June 30, 2026

			Expenditures				Methods of Financing				Fund
	Budget June 30, 2025	Budget June 30, 2026	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Debt	State Aid	Local Sources	Total	Balance June 30, 2026
PROJECT TITLE											
2017-18 Capital Reserve 2014 - Phase I											
South Grove Annex V/D/G	$ 403,725	$ 403,725	$ 400,827	$	$ 400,827	$ 2,898	$	$	$ 403,725	$ 403,725	$ 2,898
AP Willits V/D/G	568,150	568,150	560,476		560,476	7,674			568,150	568,150	7,674
Berry Hill V/D/G	536,185	536,185	531,166		531,166	5,019			536,185	536,185	5,019
South Woods V/D/G	1,262,403	1,262,403	1,245,060		1,245,060	17,343			1,262,403	1,262,403	17,343
Village V/D/G	582,635	582,635	580,312		580,312	2,323			582,635	582,635	2,323
High School V/D/G	1,969,250	1,969,250	1,963,422		1,963,422	5,828			1,969,250	1,969,250	5,828
South Grove V/D/G	598,527	598,527	585,873		585,873	12,654			598,527	598,527	12,654
Baylis V/D/G	735,050	735,050	727,666		727,666	7,384			735,050	735,050	7,384
W Whitman V/D/G	877,612	877,612	872,837		872,837	4,775			877,612	877,612	4,775
Robins Lane V/D/G	546,507	546,507	543,124		543,124	3,383			546,507	546,507	3,383
HBT V/D/G	1,398,171	1,398,171	1,394,178		1,394,178	3,993			1,398,171	1,398,171	3,993
District Wide Fire Alarms	2,072,465	2,072,465	1,969,190		1,969,190	103,275			2,072,465	2,072,465	103,275
Baylis Fuel Tanks	151,492	151,492	151,492		151,492	-			151,492	151,492	-
Berry Hill Fuel Tanks	96,469	96,469	96,469		96,469	-			96,469	96,469	-
South Grove Fuel Tanks	105,766	105,766	105,766		105,766	-			105,766	105,766	-
SG Annex Fuel Tanks	99,345	99,345	99,345		99,345	-			99,345	99,345	-
Village Fuel Tanks	95,773	95,773	95,773		95,773	-			95,773	95,773	-
Whitman Fuel Tanks	124,295	124,295	124,295		124,295	-			124,295	124,295	-
AP Willits Fuel Tanks	91,870	91,870	91,870		91,870	-			91,870	91,870	-
S Woods Fuel Tanks	107,077	107,077	107,077		107,077	-			107,077	107,077	-
HBT Fuel Tanks	107,315	107,315	107,315		107,315	-			107,315	107,315	-
High School Fuel Tanks	124,202	124,202	124,202		124,202	-			124,202	124,202	-
High School Temporary Vestibule	16,227	16,227	16,227		16,227	-			16,227	16,227	-
	12,670,511	12,670,511	12,493,962		12,493,962	176,549	-	-	12,670,511	12,670,511	176,549
2017-18 Capital Reserve 2014 Phase II/Bond											
HBT Roof	3,299,551	3,299,551	3,299,551		3,299,551	-	2,441,668		857,883	3,299,551	-
Robins Lane Roof	1,633,556	1,633,556	1,633,556		1,633,556	-	1,208,831		424,725	1,633,556	-
South Grove Corridor Addition	723,890	723,890	723,890		723,890	-	535,679		188,211	723,890	-
HS Site Work	9,577,004	9,577,004	9,185,788		9,185,788	391,216	7,086,983		2,490,021	9,577,004	391,216
HS Science Research Classroom	344,806	344,806	344,806		344,806	-	95,135	249,671		344,806	-
HS Fitness Center	5,014,028	5,014,028	5,014,028		5,014,028	-	3,710,380		1,303,648	5,014,028	-
Walt Whitman Upgrades	926,356	926,356	926,356		926,356	-	676,356	250,000		926,356	-
Baylis Parking	135,959	135,959	135,959		135,959	-	100,610		35,349	135,959	-
Berry Hill Parking	474,408	474,408	474,408		474,408	-	351,062		123,346	474,408	-
Bathrooms - Baylis	250,478	250,478	250,478		250,478	-	185,353		65,125	250,478	-
Bathrooms - Berry Hill	270,599	270,599	270,599		270,599	-	200,243		70,356	270,599	-
Bathrooms - Robins Lane	252,914	252,914	252,914		252,914	-	187,156		65,758	252,914	-
Bathrooms - South Grove	300,972	300,972	300,972		300,972	-	222,720		78,252	300,972	-
Bathrooms - SG Annex	117,090	117,090	117,090		117,090	-	86,647		30,443	117,090	-
Bathrooms - Village	244,274	244,274	244,274		244,274	-	180,763		63,511	244,274	-
Bathrooms - W Whitman	256,092	256,092	256,092		256,092	-	189,508		66,584	256,092	-
Bathrooms - AP Willits	292,546	292,546	292,546		292,546	-	216,484		76,062	292,546	-
Bathrooms - South Woods	193,260	193,260	193,260		193,260	-	143,012		50,248	193,260	-
Bathrooms - HBT	525,712	525,712	525,712		525,712	-	389,027		136,685	525,712	-
Bathrooms - High School	928,379	928,379	928,379		928,379	-	687,000		241,379	928,379	-
District Wide Fire Alarms - Phase II	1,546,881	1,546,881	1,430,641		1,430,641	116,240	1,144,692		402,189	1,546,881	116,240
HS Vestibule Project - Phase II	1,322,208	1,322,208	1,322,208		1,322,208	-	978,434		343,774	1,322,208	-

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Unaudited) (Continued)
For the Year Ended June 30, 2026

			Expenditures				Methods of Financing				Fund
	Budget June 30, 2025	Budget June 30, 2026	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Debt	State Aid	Local Sources	Total	Balance June 30, 2026
PROJECT TITLE											
2017-18 Capital Reserve 2014 Phase II/Bond (Continued)											
HVAC - Baylis	$ 594,475	$ 594,475	$ 594,475	$	$ 594,475	$ -	$ 439,912	$	$ 154,563	$ 594,475	$ -
HVAC - Berry Hill	602,538	602,538	602,538		602,538	-	445,878		156,660	602,538	-
HVAC - Robins Lane	553,457	553,457	553,457		553,457	-	409,558		143,899	553,457	-
HVAC - South Grove	445,661	445,661	445,661		445,661	-	329,789		115,872	445,661	-
HVAC - SG Annex	255,798	255,798	255,798		255,798	-	189,291		66,507	255,798	-
HVAC - Village	560,595	560,595	560,595		560,595	-	414,840		145,755	560,595	-
HVAC - W Whitman	518,154	518,154	518,154		518,154	-	383,434		134,720	518,154	-
HVAC - AP Willits	532,533	532,533	532,533		532,533	-	394,074		138,459	532,533	-
HVAC - South Woods	643,971	643,971	643,971		643,971	-	476,539		167,432	643,971	-
HVAC - HBT	2,118,133	2,118,133	2,118,133		2,118,133	-	1,567,419		550,714	2,118,133	-
HVAC - South Woods	2,202,208	2,202,208	2,202,208		2,202,208	-	1,629,634		572,574	2,202,208	-
HVAC - High School	5,876,402	5,876,402	5,876,402		5,876,402	-	4,348,538		1,527,864	5,876,402	-
High School Storage Conversion	75,682	75,682	75,682		75,682	-	56,005		19,677	75,682	-
Village Partial Roof	562,201	562,201	562,201		562,201	-	416,029		146,172	562,201	-
AP Willets - New Fan Wall	531,000	531,000	20,051	107,354	127,405	403,595	392,940		138,060	531,000	403,595
Unallocated	1,605,900	1,605,900				1,605,900	1,433,377		172,523	1,605,900	1,605,900
	46,309,671	46,309,671	43,685,366	107,354	43,792,720	2,516,951	34,345,000	499,671	11,465,000	46,309,671	2,516,951
2018-19											
HB Thompson Floor	288,128	288,128	288,128		288,128	-			288,128	288,128	-
HS Lockers	160,075	160,075	160,075		160,075	-			160,075	160,075	-
HS Gym Ventilation	799,620	799,620	799,620		799,620	-			799,620	799,620	-
SG Emergency Reconstruction	235,083	235,083	235,083		235,083	-			235,083	235,083	-
Unallocated	147,114	147,114				147,114			147,114	147,114	147,114
	1,630,020	1,630,020	1,482,906		1,482,906	147,114	-	-	1,630,020	1,630,020	147,114
2019-20											
South Grove Library	56,663	56,663	56,663		56,663	-			56,663	56,663	-
W Whitman Library	56,471	56,471	56,471		56,471	-			56,471	56,471	-
HS Guard Booth	116,513	116,513	116,513		116,513	-			116,513	116,513	-
HS Pool	114,816	114,816	114,816		114,816	-			114,816	114,816	-
HS Vestibule Project - Ph II	905,620	905,620	905,620		905,620	-			905,620	905,620	-
SW Partial Floor Replacement	311,232	311,232	311,232		311,232	-			311,232	311,232	-
SW Partial Roof Replacement	529,610	529,610	529,610		529,610	-			529,610	529,610	-
Unallocated	109,075	109,075				109,075			109,075	109,075	109,075
	2,200,000	2,200,000	2,090,925		2,090,925	109,075	-	-	2,200,000	2,200,000	109,075
Energy Performance Contract											
South Grove Annex	1,342,134	1,342,134	1,342,133		1,342,133	1	1,342,134			1,342,134	1
AP Willits	1,479,076	1,479,076	1,479,076		1,479,076	-	1,479,076			1,479,076	-
Berry Hill	875,046	875,046	875,046		875,046	-	875,046			875,046	-
South Woods MS	1,691,954	1,691,954	1,607,416		1,607,416	84,538	1,691,954			1,691,954	84,538
Village	1,390,898	1,390,898	1,390,898		1,390,898	-	1,390,898			1,390,898	-
Syosset HS	4,733,640	4,733,640	4,447,335		4,447,335	286,305	4,733,640			4,733,640	286,305
South Grove Elementary	641,217	641,217	641,184		641,184	33	641,217			641,217	33
Baylis	2,533,894	2,533,894	2,533,894		2,533,894	-	2,533,894			2,533,894	-
Walt Whitman	1,164,153	1,164,153	1,164,153		1,164,153	-	1,164,153			1,164,153	-
Robbins Lane	3,091,577	3,091,577	3,091,577		3,091,577	-	3,091,577			3,091,577	-
HBT MS	1,045,659	1,045,659	1,045,659		1,045,659	-	1,045,659			1,045,659	-
	19,989,248	19,989,248	19,618,371		19,618,371	370,877	19,989,248	-	-	19,989,248	370,877

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Unaudited) (Continued)
For the Year Ended June 30, 2026

			Expenditures				Methods of Financing				Fund
	Budget June 30, 2025	Budget June 30, 2026	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Debt	State Aid	Local Sources	Total	Balance June 30, 2026
PROJECT TITLE											
2020-21											
HS Site Work	$ 605,227	$ 605,227	$ 605,227	$	$ 605,227	$ -	$	$	$ 605,227	$ 605,227	$ -
District Wide Emergency Ventilation	708,184	708,184	707,454		707,454	730			708,184	708,184	730
South Woods Generator	370,036	370,036	369,936		369,936	100			370,036	370,036	100
HBT DOAS Ventilation	705,589	705,589	705,589		705,589	-			705,589	705,589	-
Hilltop Garage Ventilation	224,500	224,500	162,509		162,509	61,991			224,500	224,500	61,991
HS Roof Project	546,297	546,297	546,297		546,297	-			546,297	546,297	-
Unallocated	529,390	529,390				529,390			529,390	529,390	529,390
	3,689,223	3,689,223	3,097,012		3,097,012	592,211	-	-	3,689,223	3,689,223	592,211
Capital Reserve 20-21											
HS DOAS Ventilation	1,665,597	1,665,597	1,665,597		1,665,597	-			1,665,597	1,665,597	-
South Woods DOAS Ventilation	542,744	542,744	539,403		539,403	3,341			542,744	542,744	3,341
	2,208,341	2,208,341	2,205,000		2,205,000	3,341	-	-	2,208,341	2,208,341	3,341
2021-22											
South Woods Partial Repointing	432,288	392,914	292,201	76,395	368,596	24,318			392,914	392,914	24,318
HS Pool Ventilation	851,400	60,364	60,364		60,364	-			60,364	60,364	-
HS Corridor Roof	523,947	469,730	469,730		469,730	-			469,730	469,730	-
HS Roof Project Partial	105,324	105,324	105,324		105,324	-			105,324	105,324	-
HS Partial Roof		830,410				830,410			830,410	830,410	830,410
Unallocated	588	54,805	-			54,805			54,805	54,805	54,805
	1,913,547	1,913,547	927,619	76,395	1,004,014	909,533	-	-	1,913,547	1,913,547	909,533
2022-23											
South Woods Library Renovation	292,351	292,351	292,351		292,351	-			292,351	292,351	-
HS Teacher's Lot Paving	633,276	633,276	633,276		633,276	-			633,276	633,276	-
HS Tennis Court	637,641	637,641	637,641		637,641	-			637,641	637,641	-
Turf Field Lighting	858,664	858,664	858,664		858,664	-			858,664	858,664	-
Hilltop Garage Ventilation	78,212	78,212	78,212		78,212	-			78,212	78,212	-
South Woods Site Paving	589,672	589,672	15,557	574,115	589,672	-			589,672	589,672	-
Unallocated	184	184	-			184			184	184	184
	3,090,000	3,090,000	2,515,701	574,115	3,089,816	184	-	-	3,090,000	3,090,000	184
2023-24											
SWMS Site Paving	510,178	577,737	92,285	469,254	561,539	16,198			577,737	577,737	16,198
HS Dust Collection	572,500	548,395	502,350	46,045	548,395	-			548,395	548,395	-
HS TV Studio	310,300	435,737	202,461	179,352	381,813	53,924			435,737	435,737	53,924
HS Testing Center	756,314	815,322	44,906	755,647	800,553	14,769			815,322	815,322	14,769
SG Partial Roof & Masonry	1,113,592	1,058,236	966,802	91,434	1,058,236	-			1,058,236	1,058,236	-
HBT Dust Collection	429,850	249,279	168,808	80,471	249,279	-			249,279	249,279	-
HBT Library	598,272	598,272	598,272		598,272	-			598,272	598,272	-
SG Emergency Radon Mitigation	215,000	134,575	125,198	9,377	134,575	-			134,575	134,575	-
HS Emergency Electrical	208,000	208,000	167,161	4,040	171,201	36,799			208,000	208,000	36,799
HS Testing Ctr. - Demo	33,994	33,994	33,994		33,994	-			33,994	33,994	-
Unallocated	55,500	143,953	-			143,953			143,953	143,953	143,953
	4,803,500	4,803,500	2,902,237	1,635,620	4,537,857	265,643	-	-	4,803,500	4,803,500	265,643
2024-25											
South Woods Paving	300,000	307,300		307,291	307,291	9			307,300	307,300	9
HS Switchgear	1,756,600	1,756,600	85,013	375,437	460,450	1,296,150			1,756,600	1,756,600	1,296,150
HS Partial Roof & Masonry	1,330,200	1,422,106	111,375	1,240,191	1,351,566	70,540			1,422,106	1,422,106	70,540
HS Testing Center	415,000	354,794		302,050	302,050	52,744			354,794	354,794	52,744
HBT Switchgear	523,200	484,200	41,791	15,209	57,000	427,200			484,200	484,200	427,200
	4,325,000	4,325,000	238,179	2,240,178	2,478,357	1,846,643			4,325,000	4,325,000	1,846,643
2025-26											
South Woods Paving & Roof		345,300		334,804	334,804	10,496			345,300	345,300	10,496
HS TV Studio		260,000		61,833	61,833	198,167			260,000	260,000	198,167
HS Testi g Center		147,660		73,256	73,256	74,404			147,660	147,660	74,404
Baylis Staff Bathrooms		827,790		23,433	23,433	804,357			827,790	827,790	804,357
HBT Bathroom & Tennis Courts		2,744,250		60,987	60,987	2,683,263			2,744,250	2,744,250	2,683,263
		4,325,000		554,313	554,313	3,770,687	-	-	4,325,000	4,325,000	3,770,687

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund (Unaudited) (Continued)
For the Year Ended June 30, 2026

			Expenditures				Methods of Financing				Fund
	Budget June 30, 2025	Budget June 30, 2026	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Debt	State Aid	Local Sources	Total	Balance June 30, 2026
PROJECT TITLE											
2024-25 Capital Reserve / Bond											
AP Willits Gym - HVAC	$ 110,367	$ 773,428	$ 5,073	$ 221,149	$ 226,222	$ 547,206	$ 752,004	$	$ 21,424	$ 773,428	$ 547,206
AP Willits Security Enhancements	20,000	91,040	2,260	66,570	68,830	22,210	88,518		2,522	91,040	22,210
AP Willets Gym Repointing		1,242,000				1,242,000	1,207,597		34,403	1,242,000	1,242,000
Berry Hill Classroom Addition	278,000	13,483,276	277,361	242,879	520,240	12,963,036	13,109,789		373,487	13,483,276	12,963,036
Berry Hill Gym & Fire Access Road	75,000	5,793,000	3,889	246,992	250,881	5,542,119	5,632,534		160,466	5,793,000	5,542,119
Berry Hill Existing Gym HVAC	75,000	909,000	264	26,242	26,506	882,494	883,821		25,179	909,000	882,494
Berry Hill Security Enhancements	20,000	198,330	627	61,065	61,692	136,638	192,836		5,494	198,330	136,638
Berry Hill Electrical Upgrade		756,533		31,350	31,350	725,183	735,577		20,956	756,533	725,183
Berry Hill Repointing		1,242,000				1,242,000	1,207,597		34,403	1,242,000	1,242,000
South Woods Site Paving	358,000	1,562,144	357,275	984,267	1,341,542	220,602	1,518,873		43,271	1,562,144	220,602
South Woods Sports Locker Rooms	75,000	2,710,823	8,506	343,942	352,448	2,358,375	2,635,733		75,090	2,710,823	2,358,375
South Woods Roof Replacement						-					-
South Woods Gym HVAC	151,000	1,158,461	87,656	270,857	358,513	799,948	1,126,372		32,089	1,158,461	799,948
South Woods Security Enhancements	20,000	222,550	974	199,062	200,036	22,514	216,385		6,165	222,550	22,514
South Woods Repointing		1,151,000				1,151,000	1,119,117		31,883	1,151,000	1,151,000
Village Classroom Addition	238,000	5,733,000	237,761	10,941	248,702	5,484,298	5,574,196		158,804	5,733,000	5,484,298
Village Gym HVAC	95,000	947,227	6,216	195,799	202,015	745,212	920,989		26,238	947,227	745,212
Village Security Enhancements	20,000	89,800	517	53,728	54,245	35,555	87,313		2,487	89,800	35,555
Village Partial Roof		1,442,000				1,442,000	1,402,057		39,943	1,442,000	1,442,000
Village Repointing		1,242,000				1,242,000	1,207,597		34,403	1,242,000	1,242,000
HS Sports Locker Rooms	105,000	1,735,000	33,905	37,630	71,535	1,663,465	1,686,940		48,060	1,735,000	1,663,465
HS Science Research Lab	110,000	3,085,407	7,762	222,960	230,722	2,854,685	2,999,941		85,466	3,085,407	2,854,685
HS Pool Rehab & Ventilation	170,000	2,965,930	169,247	42,576	211,823	2,754,107	2,883,774		82,156	2,965,930	2,754,107
HS Library & Classroom Conversion	95,000	10,161,000	4,563	61,703	66,266	10,094,734	9,879,540		281,460	10,161,000	10,094,734
HS GRM, Bus Loop, & Turf Field	370,000	16,049,434	318,375	435,593	753,968	15,295,466	15,604,865		444,569	16,049,434	15,295,466
HS Guidance Reconfiguration	90,000	4,200,744	20,086	1,209,104	1,229,190	2,971,554	4,084,383		116,361	4,200,744	2,971,554
HS Security Enhancements	20,000	441,417	1,002	266,470	267,472	173,945	429,190		12,227	441,417	173,945
HS Partial Roof		4,167,000				4,167,000	4,051,574		115,426	4,167,000	4,167,000
HS Repointing		2,441,000				2,441,000	2,373,384		67,616	2,441,000	2,441,000
South Grove Bus Loop & Repointing	315,000	2,610,351	206,530	959,338	1,165,868	1,444,483	2,538,044		72,307	2,610,351	1,444,483
South Grove Security Enhancements	20,000	206,160	919	118,768	119,687	86,473	200,449		5,711	206,160	86,473
Baylis Gym Addition & Int. Alterations	115,000	10,617,213	46,154	323,962	370,116	10,247,097	10,323,116		294,097	10,617,213	10,247,097
Baylis Security Enhancements	20,000	135,143	748	76,185	76,933	58,210	131,400		3,743	135,143	58,210
Baylis Electrical Upgrades		383,500		14,326	14,326	369,174	372,877		10,623	383,500	369,174
Baylis Repointing		1,242,000				1,242,000	1,207,597		34,403	1,242,000	1,242,000
Whitman Classroom Addition	255,000	5,715,000	217,508	25,320	242,828	5,472,172	5,556,694		158,306	5,715,000	5,472,172
Whitman Gym	95,000	6,158,000	10,723	233,876	244,599	5,913,401	5,987,423		170,577	6,158,000	5,913,401
Whitman Existing Gym HVAC	45,000	805,000	12,978	2,292	15,270	789,730	782,701		22,299	805,000	789,730
Whitman Security Enhancements	20,000	137,560	559	73,601	74,160	63,400	133,750		3,810	137,560	63,400
Whitman Emergency Electric		152,150		146,800	146,800	5,350	147,935		4,215	152,150	5,350
Whitman Electrical Upgrade		473,622		3,750	3,750	469,872	460,503		13,119	473,622	469,872
Whitman Partial Roof		1,224,000				1,224,000	1,190,095		33,905	1,224,000	1,224,000
Whitman Repointing		1,242,000				1,242,000	1,207,597		34,403	1,242,000	1,242,000
Robbins Lane Gym & Fire Sprinkler	5,000	9,115,000	985	341,006	341,991	8,773,009	8,862,514		252,486	9,115,000	8,773,009
Robbins Lane Existing Gym HVAC	15,000	823,000	1,263	24,519	25,782	797,218	800,203		22,797	823,000	797,218
Robbins Lane Security Enhancements	20,000	132,560	689	65,015	65,704	66,856	128,888		3,672	132,560	66,856
Robbins Lane Electrical		559,281		21,635	21,635	537,646	543,789		15,492	559,281	537,646
Robbins Lane Repointing		1,242,000				1,242,000	1,207,597		34,403	1,242,000	1,242,000
HBT Vestibule, Track & Field, & Site	515,000	10,013,227	425,507	2,083,257	2,508,764	7,504,463	9,735,861		277,366	10,013,227	7,504,463
HBT Sports Locker Rooms	10,000	3,285,000	9,413	281,120	290,533	2,994,467	3,194,005		90,995	3,285,000	2,994,467
HBT Gym HVAC	135,000	1,186,585	86,723	106,252	192,975	993,610	1,153,717		32,868	1,186,585	993,610
HBT Security Enhancements	20,000	214,960	776	135,895	136,671	78,289	209,006		5,954	214,960	78,289
HBT Repointing		1,351,000				1,351,000	1,313,577		37,423	1,351,000	1,351,000
Unallocated	143,749,633	2,831,144				2,831,144	2,747,799		83,345	2,831,144	2,831,144
	147,850,000	147,850,000	2,564,794	10,267,796	12,832,590	135,017,410	143,749,633	-	4,100,367	147,850,000	135,017,410
Smart Schools Bond Act	1,197,021	1,197,021	1,012,938	10,597	1,023,535	173,486	1,197,021			1,197,021	173,486
Totals	$ 251,876,082	$ 256,201,082	$94,835,010	$ 15,466,368	$ 110,301,378	$145,899,704	$ 199,280,902	$ 499,671	$56,420,509	$256,201,082	145,899,704
		-								Less; Unissued debt	(143,749,633)
										Smart Schools Bond Act not recognized	(282,119)
											$ 1,867,952

SYOSSET CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets (Unaudited)
June 30, 2026

Capital assets, net	$ 164,506,120
Deduct:	
Capital related liabilities:	
Accounts payable	4,360,877
Bond anticipation note, payable	54,000,000
Less: Unspent BAN proceeds	(43,732,203)
Short-term portion of bonds payable	3,235,000
Long-term portion of bonds payable	35,775,000
Premium on bonds payable	279,203
Less: Unspent debt proceeds	(2,887,824)
Short-term portion of lease liabilities	212,088
Long-term portion of lease liabilities	315,262
	51,557,403
Net Investment in Capital Assets	$ 112,948,717

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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*

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 aggregate remaining fund information of Syosset Central School District ("the District"), as of and for the year ended June 30, 2026, 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 6, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Syosset Central School District's internal control over financial reporting (internal control) as a basis for designing 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 Syosset Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Syosset Central School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Cullen & Danowski, LLP

Port Jefferson Station, New York
October 6, 2026