PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 24, 2022

NEW ISSUES
TAX ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "Tax Matters" herein.

SYOSSET CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK
(the "District")

$30,000,000 TAX ANTICIPATION NOTES, 2022
(the "Notes")

Dated Date: September 15, 2022 Maturity Date: June 28, 2023

Prior Redemption: The Notes are not subject to redemption prior to their maturity.

Security and Sources of Payment: The Notes will constitute general obligations of the District and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the District will be subject to the levy of ad valorem taxes, subject to applicable statutory limitations, for such purpose. See "*Nature of Obligation*" and "*Tax Levy Limit Law*" herein.

Form and Denomination: At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

The Notes to be issued in book-entry only form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes to be issued in book-entry only form. Individual purchase of the Notes to be issued in book-entry only form may be made only in book-entry form in denominations of $5,000 or integral multiples thereof. Holders of the Notes to be issued in book-entry only form will not receive certificates representing their ownership interest in the Notes to be issued in book-entry only form purchased. See "*Book-Entry Only System*" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practice as is now the case with municipal securities held for the accounts of customers registered in "street name". See "*Book-Entry System*" herein. Payment of the principal of and interest on the Notes issued in the certificated form registered to the purchaser(s) will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). Paying agent fees, if any, will be paid by the purchaser(s).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey or if issued in registered certificated form in Syosset, New York, or as may be agreed upon with the purchaser(s) on or about September 15, 2022.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE RESPECTIVE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. (SEE "DISCLOSURE UNDERTAKING" HEREIN).

SYOSSET CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

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No person has been authorized by the Syosset Central School District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Syosset Central School District since the date hereof.

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OFFICIAL STATEMENT

SYOSSET CENTRAL SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

$30,000,000 TAX ANTICIPATION NOTES, 2022

This Official Statement and appendices thereto presents certain information relating to the Syosset Central School District, Nassau County, in the State of New York (the "District" and "State," respectively) in connection with the sale of $30,000,000 Tax Anticipation Notes, 2022 (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "RISK FACTORS" and "IMPACTS OF COVID-19" herein.

THE NOTES

General

The $30,000,000 Tax Anticipation Notes, 2022 (the "Notes") will be general obligations of the District, and will contain a pledge of the District's faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Article VIII, Section 2; Local Finance Law, Section 100.00). (See "Nature of Obligation" and "The Tax Levy Limit Law" herein.) The Notes will be dated September 15, 2022, and will mature, without the right of redemption prior to maturity, on June 28, 2023 with interest payable at maturity.

The Notes will be issued in book-entry form or, at the option of the purchaser(s), as registered certificated notes. The Notes to be issued in book-entry form will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. See "*Book-Entry-Only System*" herein. DTC will act as securities depository for such Notes. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. A single note will be issued for all such Notes bearing the same rate of interest and CUSIP number. Purchasers will not receive certificates representing their interest in such Notes. Principal and interest will be paid by the District directly to DTC for its nominee, Cede & Co.

Note certificates shall be delivered to the purchaser(s) of notes requested in registered certificated form to the purchaser(s), and each such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). Paying agent fees, if any, will be paid by the purchaser(s).

The District will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as or retain a paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The District's contact information is as follows: Dr. Patricia Rufo, Associate Superintendent for Business, Syosset Central School District, 99 Pell Lane, Syosset, New York 11791, telephone number (516) 364-5651, email:prufo@syossetschools.org.

Optional Redemption for the Notes

The Notes will not be subject to redemption prior to their maturity.

Authorization and Purpose

The Notes are being issued in anticipation of the collection of real property taxes receivable by the District during its 2022-2023 fiscal year, which commenced on July 1, 2022, and pursuant to a tax anticipation note resolution that was adopted by the Board of Education on June 13, 2022. The Notes are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding (see "Cash Flow"). Such cash flow deficit is the result in part of the timing in the receipt of real property taxes, as a result of the fact that the dates fixed by law for the collection of such taxes do not conform to the expected cash needs of the District's operating budget.

Disclosure Undertaking for the Notes

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the District will provide an executed copy of its "Undertaking to Provide Notices of Events" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

> (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a "financial obligation" of the Issuer, any of which affect note holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated September 19, 1995. However, event (iii) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (iv) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in (xii) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The District has been advised on the new disclosure rules pertaining to "financial obligations" as defined in the Rule. Existing standard operating procedures of the District include initiation, oversight, and tracking of such "financial obligations" by the chief fiscal officer. Appropriate disclosure filings within the required timeframe is part of an existing contract with the District's financial advisor, acting in the capacity of dissemination agent of the District.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

The District may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The District's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the District, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the District to comply with the Undertaking will not constitute a default with respect to the Notes.

The District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

COMPLIANCE HISTORY

The District is in compliance in all respects with all previous undertakings made pursuant to Rule 15c2-12 during the last five years.

BOOK-ENTRY-ONLY SYSTEM

In the event that the Notes are issued in registered book-entry form, DTC will act as securities depository for the Notes issued in book-entry form. The Notes will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each maturity of the Notes and deposited with DTC. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCE THAT DTC DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS, OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OR ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes in Certain Circumstances

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

NATURE OF OBLIGATION

Each note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, subject to applicable statutory limitation for the Notes.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limit Law"). The Tax Levy Limit Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limit Law imposes a statutory limitation on the District's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law, it also provides the procedural method to surmount that limitation. See "Tax Information - Tax Levy Limit Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted . . . While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the noteholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE TAX LEVY LIMIT LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "New Tax Levy Limit Law"). The Tax Levy Limit Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are affected indirectly by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limit Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI"). Chapter 97 now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020 unless extended; it was made permanent by recent legislation. Pursuant to the Tax Levy Limit Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy" and this is an exclusion from the tax levy limitation. It is not applicable to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limit Law is unconstitutional as it applies to public school districts. The suit alleged that the Tax Levy Limit Law arbitrarily caps property tax levy increases and perpetuates funding inequities between affluent and low-wealth school districts. The suit further alleged that the tax cap unconstitutionally limits the ability of school districts and their taxpayers to address these inequities by exercising substantial local control. Among seven cause of action, the suit also alleges that the Tax Levy Limit Law unconstitutionally interferes with fundamental voting rights in violation of the principle of "one person, one vote." On May 5, 2016, the Appellate Division upheld a lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increase". NYSUT then appealed to the Court of Appeals. An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Levy Limit Law. School districts budgets must have complied in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have had their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must have been within the tax cap limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions included counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which were indirectly affected by applicability to their respective City) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which would have provided the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts were required to provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015, which applied beginning in 2016 and was fully phased in during 2019 and generally has included continued tax cap compliance.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

The Notes when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property

As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

Section 99-b of the State Finance Law Applicable to School Districts

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the note. Such investigation by the State Comptroller shall set forth a description of all such notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he 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 (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such notes 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 State Comptroller 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. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the notes shall be forwarded promptly to the paying agent or agents for the notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted notes pursuant to said section of the SFL.

Authority to File For Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as county, city, town or school district, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the District be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of the Notes to receive interest and principal from the District could be adversely affected by the restructuring of the District's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the District (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the District under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commerce or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the grounds that it violates the provisions of the State Constitution requiring a pledge by such District of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature, as described below, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of the governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and school districts so as to prevent abuses in taxation and assessment and in contracting indebtedness by them. In 2013, the State established a new state advisory board to assist counties, cities, towns and school district in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The District is not working with the FRB. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes, including the Notes.

Default Litigation

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "*Nature of Obligation*" and "*State Debt Moratorium Law*" herein.

No Past Due Debt

No principal of or interest on District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

THE DISTRICT

Description

The District is located within the Town of Oyster Bay, in the northeastern portion of Nassau County. The District includes the unincorporated communities of Syosset, Woodbury, Locust Grove and small portions of the Incorporated Villages of Muttontown and Oyster Bay Cove. The District has a land area of approximately 13.5 square miles and an estimated population of 35,014.

The District is suburban residential in character. Recent residential construction has included townhouse/condominium developments and private residences in the $600,000 to over $1,000,000 range.

Commercial activity is comprised of large office buildings and retail establishments along the major highways. The District's location in Nassau County and its close proximity to New York City afford residents with many diverse employment opportunities.

Employment opportunities are available to residents of the District throughout Nassau County and western Suffolk County as well as the entire tri-state metropolitan region. Many of the residents of the District commute to New York City for employment.

The Government Employees Insurance Company (GEICO) has a facility located within the District that employs approximately 3,750. Syosset Hospital (part of Northwell Health System) is also located within the District and employs approximately 3,000.

The Port Jefferson branch of the Long Island Rail Road serves the District with a station in Syosset. The scheduled travel time from New York is less than one hour. The eastern portion of the District is served by the Cold Spring Harbor station on the same branch.

The District is also in the center of an excellent road network. The Northern State Parkway forms the approximate southern boundary of the District while Jericho Turnpike cuts through the center from east to west for a distance of about five miles. The Long Island Expressway (New York City to Riverhead) passes through the District, as does the Seaford/Oyster Bay Expressway. The expressways add continued impetus to commercial and industrial development in the Syosset area.

PSEG Long Island and National Grid provide the District with electric and gas service. Water is provided by Jericho Water District. Fire protection is provided by the Syosset Volunteer Fire Department. Police protection is provided by the Nassau County Police Department.

The Board of Education, which is the policy-making body of the School District, consists of nine members with overlapping three year terms. The President and the Vice President are selected by the Board members. The President of the Board is the chief fiscal officer of the School District.

District Organization

The District is an independent entity governed by an elected board of education comprised of nine members. District operations are subject to the provisions of the State Education Law (the "Education Law") affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are elected on a staggered term basis by qualified voters at the annual election of the District held in the spring of each year. The term of office for each board member is three years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain financial functions of the District are the responsibility of the Superintendent of Schools and the Associate Superintendent for Business.

Enrollment History

The following table presents the past school enrollment for the District.

School Year	School Enrollment
2018	6,504
2019	6,509
2020	6,615
2021	6,592
2022	6,854

Source: District Officials.

Projected Future Enrollment

The following table presents the projected future school enrollment for the District.

School Year	School Enrollment
2023	6,805
2024	6,792
2025	6,804

Source: District Officials.

District Facilities

The District operates ten schools and offices; statistics relating to each are shown below.

Name of School	Grades	Year Originally Built	Capacity
Baylis Elementary School	K-5	1954	426
Berry Hill Elementary School	K-5	1956	440
Robbins Lane Elementary School	K-5	1957	511
South Grove Elementary School (inc. Annex)	K-5	1954/58	418
Village Elementary School	K-5	1953	447
Walt Whitman Elementary School	K-5	1953	365
Willits Elementary School	K-5	1954	327
South Woods Middle School	6-8	1957	741
H.B. Thompson Middle School	6-8	1959	929
Syosset High School	9-12	1956	2,250

In 2021-2022 school year, the District received a grant to begin a UPK program, 99 students were enrolled in neighborhood programs and there are 192 students enrolled for 2022-2023.

Employees

The collective bargaining agents, if any, which represent employees and the dates of expirations of the various collective bargaining agreements are as follows:

Name of Union	Expiration Date of Contract	Approx. No. of Members
Syosset Teacher's Association	06/30/2025	821
Syosset Principals' Association	06/30/2025	20
Civil Service Employees Association (CSEA)	06/30/2025	456
Syosset Central Administrators	N/A	17

Source: District Officials.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics.

Year	District	Town of Oyster Bay	Nassau County	New York State
1980	32,273	305,750	1,321,582	17,557,288
1990	32,889	292,657	1,287,348	17,990,455
2000	33,716	293,925	1,334,544	18,976,457
2010	37,751	301,640	1,339,532	19,378,102
2020	35,014	297,349	1,355,683	19,514,849

Source: U.S. Bureau of the Census.

Income Data

Income Data is not available for the District as such. The smallest areas for which such statistics are available (which include the District) are the Town of Oyster Bay. The information set forth below with respect to such Town, County and State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the District is necessarily representative of the Town, County or State, or vice versa.

	Per Capita Money Income			
	1990	2000	2010	2020[a]
Town of Oyster Bay	$24,469	$35,895	$46,295	$60,848
County of Nassau	23,352	32,151	39,935	53,363
State of New York	16,501	23,389	30,791	40,898

	Median Household Income			
	1990	2000	2010	2020[a]
Town of Oyster Bay	$59,286	$78,839	$104,110	$132,216
County of Nassau	54,283	72,030	91,104	120,036
State of New York	32,965	43,393	55,217	71,117

Source: United States Bureau of the Census

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the Town of Oyster Bay. The information set forth below with respect to such Town, County and State is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the District is necessarily representative of the Town, County, or State or vice versa.

Annual Averages:	Town of Oyster Bay	Nassau County	New York State
2017	3.8	4.1	4.7
2018	3.3	3.5	4.1
2019	3.1	3.4	4.0
2020	7.8	8.4	10.0
2021	4.4	4.8	7.2
2022 (5 month average)	2.8	3.1	4.6

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE DISTRICT

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the District and the Notes, include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods (such as the Notes), indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average maturity thereof. No installment may be more than fifty per centum in excess of the smallest prior installment unless the District provides for substantially level or declining annual debt service in the manner prescribed by the State Legislature. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds or such required annual installments on its notes.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Requirements and Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law and the General Municipal Law.

Pursuant to the Local Finance Law, the District authorizes the issuance of notes by the adoption of a note resolution, approved by at least two-thirds of the members of the Board of Education, the finance board of the District. Customarily, the Board of Education has delegated to the President of the Board of Education, as chief fiscal officer of the District, the power to authorize and sell bond anticipation notes in anticipation of authorized notes.

Each note resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the notes subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a note resolution is published with a statutory form of notice, the validity of the notes authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication, or

3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the District complies with this estoppels procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Principal installments are made in reduction of the total amount of such notes outstanding issued in anticipation thereof, commencing no later than two years from the date of the first of such notes and provided that such renewals do not extend five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

The following pages present certain details with respect to the indebtedness of the District as of the date of the Debt Statement prepared in connection with the issuance of the Notes.

Computation of Debt Limit and Debt Contracting Margin
(As of August 24, 2022)

In Town of: [a]	Assessed Valuation	State Equalization Rate	Full Valuation
Oyster Bay (2021-2022)	$18,529,021	0.17%	$10,899,424,118
Huntington (2021-2022)	3,800	0.74%	513,514
	$18,532,821		$10,899,937,631

Debt Limit - 10% of Average Full Valuation	$1,089,993,763
Inclusions: [b]	
Outstanding Bonds	$54,160,000
Bond Anticipation Notes	0
Total Indebtedness	54,160,000
Exclusions (Estimated Building Aid) [c]	8,726,344
Total Net Indebtedness	45,433,656
Net Debt Contracting Margin	$1,044,560,108
Per Cent of Debt Contracting Margin Exhausted	4.17%

a. The latest completed assessment roll for which a State Equalization Rate has been established.
b. Tax Anticipation Notes and Revenue Anticipation Notes are not included in this computation of the debt contracting margin of the District.
c. Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes, based on the most recent information received by the District from the State Department of Education. The amount shown is not necessarily the amount the District will ultimately receive. The District has not applied for a building aid exclusion certificate from the Commissioner of Education and therefore may not exclude such amount from its total indebtedness on the Debt Statement form required to be filed with the Office of the State Comptroller when bonds are to be issued.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the District has no short-term debt outstanding.

Trend of Outstanding Indebtedness
As at June 30:

	2018	2019	2020	2021	2022
Bonds	$19,965,000	$16,860,000	$43,780,000	$63,225,000	$57,120,000
BANs	-	-	-	-	-
Other	-	-	-	-	-
Total	$19,965,000	$16,860,000	$43,780,000	$63,225,000	$57,120,000

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 5,095,000	$1,255,931	$ 6,350,931
2024	4,240,000	1,112,319	5,352,319
2025	4,325,000	989,725	5,314,725
2026	4,450,000	861,719	5,311,719
2027	3,235,000	761,369	3,996,369
2028	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	3,400,000	433,369	3,833,369
2033	3,435,000	365,019	3,800,019
2034	3,485,000	295,819	3,780,819
2035	3,535,000	225,619	3,760,619
2036	3,535,000	153,819	3,688,819
2037	1,760,000	98,669	1,858,669
2038	1,815,000	60,684	1,875,684
2039	1,840,000	20,700	1,860,700
	$57,120,000	$9,029,134	$66,149,134

Revenue and Tax Anticipation Notes

The District has generally found it necessary to borrow from time to time in anticipation of taxes and revenues, which borrowing is necessitated by the schedule of real property tax and State aid revenue payments. The District has not found it necessary to borrow budget notes or deficiency notes. However, see "State Aid" herein.

The following is a history of such tax and revenue anticipation note borrowings for the five most recent fiscal years:

Fiscal Year Ending June 30:	Amount	Type	Issue	Maturity
2018	$23,500,000	TAN	08/29/2017	06/27/2018
2019	20,400,000	TAN	09/60/2018	06/27/2019
2020	20,000,000	TAN	09/04/2019	06/25/2020
2021	22,000,000	TAN	07/15/2020	06/25/2021
2022	27,000,000	TAN	09/28/2021	06/24/2022

Authorized and Unissued Debt

As of the date of this Official Statement, the District has no short-term debt outstanding.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Nassau	4/30/2022	4.20	$159,100,662	$148,727,208
Town of Oyster Bay	4/20/2022	15.95	109,929,910	72,324,597
		Totals	$269,030,572	$221,051,805

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios
(As of August 24, 2022)

	Amount	Per Capita [a]	Percentage of Full Value (%) [b]
Total Direct Debt	$ 54,160,000	$1,547	0.497
Net Direct Debt	45,433,656	1,298	0.417
Total Direct & Applicable Total Overlapping Debt	323,190,572	9,230	2.965
Net Direct & Applicable Net Overlapping Debt	266,485,461	7,611	2.445

a. The current population of the District is 35,014.

b. The full valuation of taxable property is $10,899,937,631.

FINANCES OF THE DISTRICT

Impact of COVID-19

In December of 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted as the second act of federal relief in response to COVID-19. The CRRSA Act provides approximately $4.3 billion to support schools in the State, with the funds available to be spent through September 2023. This is in addition to the $1.2 billion in Federal Coronavirus Aid, Relief and Economic Security (CARES) Act funding, which can be spent through September 2022. The CRRSA Act provides the State with $4.0 billion through the Elementary and Secondary School Emergency Relief (ESSER) Fund and $323 million through the Governor's Emergency Education Relief (GEER) Fund. Districts may generally use these funds for broad purposes, including general operating and pandemic-related costs such as purchasing personal protective equipment. Additionally, the State has been allocated approximately $9.0 billion under the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief Fund (ESSER).

The District has been allocated $222,165 in CARES Act funding and has received $196,408. The District is expected to receive a total of $2,933,422 through CRRSA and ARP funding. See also "State Aid" herein.

Independent Audit

The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2021. A copy of such report is included herein as Appendix D.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law ("GML"), the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Board of Education authorizes an investment program for the District. Investments are viewed as a critical ingredient of sound fiscal management, the purpose of which is to secure a maximum yield of interest revenues to supplement other District revenues for the support of the education program of the school system. It is the policy of the District to diversify its deposits and investments by financial institutions, by investment instrument, and by maturity scheduling.

The objectives of the District's investment program are to safeguard the District's funds and to minimize risk, so that investments mature when cash is required to finance operations, and so that a competitive rate of return is achieved.

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the District to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The Board of Education's responsibility for administration for the investment program is delegated to the Treasurer who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

The District authorizes the Associate Superintendent for Business to manage all activities associated with the investment program in such manner as to accomplish all the objectives and intents of this policy. These responsibilities will also include annual review and assessment of the District's investment program incorporating any relevant recommendations of the independent auditor. The Associate Superintendent for Business is further authorized to execute in the name of the Board any and all documents relating to the investment program in a timely manner as well as to utilize reputable consultants regarding investment decisions when necessary. A monthly progress report of investments will be given to the Board. Concentration of investments in a single financial institution should be avoided. Diversification of investments and deposits is encouraged and shall be made in accordance with the policy.

The District's investment program will be administered in such a way as to assure:

1. That all participants exercise good judgment and care in the management of the District's investments; act responsibly as custodians of the public trust; and refuse to participate in any transaction that might impair the public's confidence in the District;
2. The continual process of temporary investing of all fund balances and moneys available to the District for investment purposes;
3. The maintenance of a yearly cash flow chart that will provide data to assist proper planning and decision making regarding amount, duration, and type of investments for the District;
4. The District may use any of the following investment instruments when investing district funds as listed in section 11 of the General Municipal Law:

    - Special time deposit accounts or certificates of deposit;
    - Obligations of the United States of America (e.g., U.S. Treasury Bills and Notes);
    - Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
    - Obligations of the State of New York;
    - Obligations of other municipalities issued pursuant to Local Finance Law sections 24.00 (Tax Anticipation Notes) or 25.00 (Revenue Anticipation Notes), with the approval of the State Comptroller;
    - Obligations of the District, but only with any moneys in reserve funds established pursuant to General Municipal Law sections 6-d, 6-j, 6-l, 6-m, 6-n, 6-p, and 6-r; and
    - By participation in cooperative investment programs with other authorized governmental entities pursuant to Article 5-G of the General Municipal Law, where such a program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46.

5. Collateralizing of Deposits: In accordance with the provisions of General Municipal Law, all deposits of the District, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

    - By a pledge of "eligible securities" as defined in General Municipal Law section 10 (f)(i) or (iv), with an aggregate "market value" equal to the aggregate amount of deposits from the categories designated herein.
    - By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140 percent of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
    - By an eligible surety bond payable to the government for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
    - Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure the District's deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the District to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the District, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the District or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or an agent of and custodian for, the District, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the District a perfected interest in the securities.

All investment obligations shall be payable or redeemable at the option of the District within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the District within two years of the date of purchase.

All financial institutions where District funds are deposited provide a statement to the District of their collateral in the form of a list of the securities pledged at market value; periodically the Treasurer shall physically inspect the collateral.

All moneys collected by any officer or employee of the government to transfer those funds to the Treasurer or Deputy Treasurer within five (5) days for deposit, or within the time period specified in law, whichever is shorter.

The Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

School District investments shall be made in compliance with the law.

Designation of Depositories

The District shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions and dealers approved for investment purposes can establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the District conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report or Condition (Call Report) at the request of the District. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodian. Such listing shall be evaluated at least annually.

At the annual organizational meeting or through board resolution at Board of Education Meetings throughout the year, the Board of Education will approve the bank and trust companies to be authorized for the deposit of monies up to the maximum amounts of one hundred fifty million dollars ($150,000,000). The utilization of an open competition system of bids and/or quotes to obtain maximum yield possible on all investments from both in-district and out-of-district financial institutions; such institutions and depository banks are designated annually by the Board at the annual reorganization meeting.

Purchase of Investments

The Treasurer is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participating in a cooperative investment program with another authorized government entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the School Board.
3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the School Board.

All purchased obligations, unless registered or inscribed in the name of the District, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the District by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in section 10 of the General Municipal Law.

The custodian agreement shall provide that securities held by the bank or trust company, as an agent of and custodian for, the District, will be kept separate and apart from the general assets of the custodian bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
4. No substitutions of securities will be allowed.
5. The custodian shall be a party other than the trading partner.

The Superintendent of Schools or his/her designee, shall develop administrative procedures for the purpose of managing District investments in accordance with this policy.

This policy will be annually reviewed by the Board and may be amended from time to time in accordance with the provisions of Section 39 of the General Municipal Law.

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund and school lunch fund. In addition, a capital projects fund is used to record capital facility projects, while a trust and agency fund accounts for assets received by the District in a fiduciary capacity.

Basis of Accounting

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. 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 transaction, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, 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 grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Source: Audited Financials of the District.

Budget Process

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring, the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See *"The Levy Limit Law"* herein).

On May 17, 2022, a majority of the voters of the District approved the District's budget for the 2022-2023 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2021-2022 and 2022-2023 may be found in Appendix A, herein.

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See *"Tax Information"* herein.

State Aid

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See "*STAR – School Tax Exemption*" herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19 including closing schools and non-essential businesses for an extended period. The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2021-22 Enacted Budget provided $29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. This represented an increase of $3.0 billion or 11.3 percent compared to the 2020-21 school year, and included a $41.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase was targeted to high-need school districts.

The State's 2021-22 Enacted Budget also provided $13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, was designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted budget allocated $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget used $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

The State's 2022-23 Enacted Budget provides $31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represents a year-to-year funding increase of $2.1 billion or 7.07% and includes $21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflects the second year of the three-year phase-in of full funding of the current Foundation Aid formula.

The State's 2022-23 Enacted Budget also increases the State's annual investment in prekindergarten to $1.1 billion, an increase of $125 million, or 13%. The Enacted Budget also includes a total of $100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This includes support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2022-23 Enacted Budget was adopted on April 9, 2022. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, the COVID-19 pandemic, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revisions. Reductions in federal funding levels could have a materially adverse impact on the State budget.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of state aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance law to provide operating funds by borrowing in anticipation of the receipt of uncollected State Aid.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected is in process as of this date. (See also *"State Aid"* and "*School district fiscal year (2021-2022) and (2022-2023)*" under the subheading "*Events Affecting State Aid to New York School Districts*" herein.)

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of Foundation Aid funding is set forth below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

Events Affecting State Aid to New York School Districts

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 pandemic has affected and is expected to continue to affect State aid to school district.

School district fiscal year (2018-2019): The State's 2018-2019 Budget provided for school aid of approximately $26.7 billion, an increase of approximately $1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.2% and building aid increased by 4.7%. The State 2018¬2019 Budget continued to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans.

School district fiscal year (2019-2020): The State's 2019-2020 school year, the State's Enacted Budget included a total of $27.9 billion for School Aid, a year-to-year funding increase of approximately $1.2 billion. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education will continue in full, as is the State's usual practice. Transportation aid increased by approximately 4.5% and building aid increased by approximately 3.7%. The State 2019¬2020 Enacted Budget continued to link school aid increases for 2019-2020 and 2020-2021 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflect current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

School district fiscal year (2021-2022): For the 2021-2022 school year, the State's Enacted budget provided $29.5 billion in State funding to school districts for the 2021-2022 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represented an increase of 11.3% ($3.0 billion) compared to the 2020-2021 school year, including a $1.4 billion (7.6%) Foundation Aid increase. The Enacted budget allocated $13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, will help schools safely reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The Budget allocated $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the Budget used $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-2022 school year.

School district fiscal year (2022-2023): For the 2022-2023 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2% compared to the 2021-2022 school year and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-2023 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds buy $125 million to expand access to full-day prekindergarten programs for four-year old children in school districts statewide in the 2022-23 school year.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds by the State to finance improved educational technology and infrastructure to enhance learning and opportunity for students throughout the State.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Risk Factors*").

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021, and the 2022 and 2023 budgeted amounts.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid To Revenues (%)
2017	$212,040,523	$14,075,820	6.64
2018	218,350,280	15,250,863	6.98
2019	225,129,347	17,146,117	7.62
2020	230,598,276	17,266,476	7.49
2021	234,064,509	18,150,038	7.75
2022 (Budgeted)	247,160,025	19,731,030	7.98
2023 (Budgeted)	257,831,270	25,658,758	9.95

a. Budgeted revenues include the application of reserves and fund balance.

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school districts and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the Office of the State Comptroller (OSC). Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of OSC designates the District as "No Designation" (Fiscal Score: 10.0, Environmental Score: 10.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released June 8, 2018. The purpose of such audit was to determine if officials ensured the accuracy of the compensation paid and benefits provided to employees. There were no recommendations as a result of this audit. The complete report, along with the District's response, may be found on the OSC's official website. The District is currently not being audited by the OSC and no additional audits are pending release.

Reference to this website implies no warranty of accuracy of information therein, nor incorporation herein by reference.

Employee Pension System

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments when there are enough funds available for the State to do so. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, the Governor signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010 and before March 31, 2012. New ERS employees will now contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries. There is no provision for these employee contributions to cease after a certain period of service.

On March 16, 2012, the Governor signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, legislation was enacted that permitted school districts to amortize a portion of its annual employer pension payment to the ERS only. Under such legislation, school districts that choose to amortize were required to set aside and reserve funds with the ERS for certain future rate increases.

The District has not amortized any of its employer pension payments pursuant to this legislation and expects to continue to pay all payments in full when due.

In addition, in Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing ERS SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts.

The TRS SCO deferral plan is available to school districts for up to 7 years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The District has not amortized any of its employer pension payments as part of the SCO and expects to continue to pay all payments in full when due.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan.

The following chart represents the TRS and ERS required contributions for each of the last five completed fiscal years and the budgeted amount for 2022 and 2023.

Fiscal Year Ending June 30:	ERS	TRS
2017	$2,743,880	$11,934,097
2018	2,953,311	10,199,765
2019	2,814,500	11,183,043
2020	2,866,399	9,372,862
2021	3,079,971	10,092,886
2022 (Projected)	3,170,744	10,779,735
2023 (Budgeted)	2,270,400	11,970,784

Source: Audited Financial Statements and the 2017 -2021, District Officials and the 2023 Budget. Table itself is not audited.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended June 30, 2018, the District adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation biannually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The District's total OPEB liability at June 30, 2021 is as follows:

Total OPEB Liability at June 30, 2020	$418,217,069
Charges for the Year:	
Service Cost	14,228,085
Interest	9,455,937
Changes of Benefit Terms	0
Differences Between Expected and Actual Experience	(63,063,280)
Changes in Assumptions or Other Inputs	80,210,319
Benefit Payments	(9,199,651)
Net Changes	31,631,410
Total OPEB Liability at June 30, 2021	$449,848,479

The OSC proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments but it did advance beyond committee. The District cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District continues funding the expenditure on a pay-as-you-go basis.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

TAX INFORMATION

Real Property Taxes

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the County. Assessment valuations are determined by the assessor and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations, but is subject to statutory requirements.

The following table sets forth the percentage of the District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, and for the 2022 and 2023 budgets.

Fiscal Year Ending June 30:	Total Revenue	Real Property Taxes[b]	Real Property Taxes to Revenues (%) [a]
2017	212,040,523	14,075,820	6.64
2018	218,350,280	15,250,863	6.98
2019	225,129,347	17,146,117	7.62
2020	230,598,276	17,266,476	7.49
2021	234,064,509	18,150,038	7.75
2022 (Budgeted)	247,160,025	19,731,030	7.98
2023 (Budgeted)	257,831,270	25,658,758	9.95

a. Budgeted revenues include the application of reserves and fund balance.
b. In 2016, LIPA was reclassified from the real property tax assessment roll to a property with a payment in lieu of taxes (PILOT) agreement. Table not audited.

Tax Collection Procedure

In Nassau County, property taxes for the school districts are levied by the County, and are collected by the town tax receivers. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The town tax receiver pays to each school district the amounts collected therefore on the first day of each month from October 1 to June 1. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a town charge.

On or before June 1, the town tax receiver files a report of any uncollected school district taxes with the County. The County thereafter on or before June 15 pays to each school district the amount of its uncollected taxes. Thus, each school district should receive its full levy prior to the end of its fiscal year. However, in recent years, this has not always been the case as some of these payments have been delayed.

Under existing law, the County assumes liability for all tax certiorari refund payments, including any portion of the refund attributable to the reduction in the amount of taxes raised to support Town operations. Historically, the County has not sought reimbursement from the affected school district, village or town following the payment of a refund to a taxpayer. However, by local law, the County amended the Administrative Code and the County Charter to eliminate the County guarantee relative to assessment errors. Commencing in 2013, the County sought to end the long-standing practice of paying tax certiorari settlements on behalf of local taxing jurisdictions, including the District. As a result, the District would be required to pay tax certiorari refunds attributable to a reduction in its District tax levy. In response to the adoption of the local law by the County, the Town of North Hempstead, together with a number of school districts, challenged the amendment, arguing amongst other things that the County did not have the ability to amend a State law and that it could not be done without referendum. The lower court dismissed the challenges, and the decision of the lower court was appealed.

The Appellate Division ruled unanimously in favor of the town and school districts challenging the local law enacted by the County. The County appealed the decision of the Appellate Division to the Court of Appeals. In 2017, The Court of Appeals ruled unanimously that the County did not have the authority to enact the law. As a result, municipalities and school districts, including the District, located in the County will not be required to pay tax certiorari refunds, such refunds will continue to be the responsibility of the County.

Long Island Power Authority PILOT Payments

On January 28, 2016, the District along with approximately 54 other school districts located in Nassau County, filed a lawsuit against Nassau County, the Long Island Power Authority and PSEG LI challenging the method by which certain payments-in-lieu-of-taxes ("PILOTS") are calculated and implemented pursuant to New York State Public Authorities Law Section 1020-q (the "LIPA Reform Act") which resulted in a revenue shortfall to the District for the 2015-2016 school year of approximately $37,841. The participating school districts submitted a verified petition and memorandum of law in support of their position. Following the submission of same, the parties engaged in extensive settlement discussions and reached agreement on settlement terms whereby the participating school districts in Nassau County would be made whole for the 2015-2016 LIPA PILOTs, including any shortfall.

The District has been receiving its LIPA PILOT payments and notwithstanding the terms of the settlement agreement regarding the 2015-2016 LIPA PILOT payments, the implementation of the LIPA Reform Act may affect the District in future years.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget includes changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

Approximately 3.60% of the District's 2020-2021 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Based on information furnished to the District, approximately 3.60% of the District's 2021-2022 school tax levy is expected to be exempted by the STAR program. (See *"State Aid"* herein).

Valuations, Rates, Levies and Collections

Year ending June 30:	2017-18	2018-19	2019-20	2020-21	2021-22
Assessed Valuations:					
Town of Oyster Bay	$21,590,418	$21,103,680	$20,358,226	$14,391,954	$18,529,021
Town of Huntington	3,800	3,800	3,800	3,800	3,800
Total	$21,594,218	$21,107,480	$20,362,026	$14,395,754	$18,532,821
State Equalization Rate:					
Town of Oyster Bay	0.24%	0.22%	0.21%	0.17%	0.17%
Town of Huntington	0.85%	0.80%	0.76%	0.74%	0.74%
Full Valuation:					
Town of Oyster Bay	$8,996,007,500	$9,592,581,818	$9,694,393,333	$8,465,855,294	$10,899,424,118
Town of Huntington	452,381	475,000	500,000	513,514	513,514
Total	$8,996,459,881	$9,593,056,818	$9,694,893,333	$8,466,368,808	$10,899,937,631

Tax Collection Record[a]

Year Ending June 30:	2018[a]	2019[a]	2020[a]	2021[a]	2022[a]
Amount of Levy:	191,622,402	195,954,954	200,830,319	204,236,165	208,289,296
% Collected	100%	100%	100%	100%	100%

a. In 2016, LIPA was reclassified from the real property tax assessment roll to a property with a payment in lieu of taxes (PILOT) agreement.

Selected Listing of Large Taxable Properties
2021-2022 Assessment Roll

Name	Type	Assessed Valuation
RXR 1000 Woodbury Rd Owner	Commercial	$741,571
Keyspan Gas East Corp	Utility	387,180
92 FHB LLC	Commercial	372,726
Treeco Centers Limited Partners	Commercial	336,140
RA 6800 Jericho TPKE LLC.	Commercial	234,850
Cold Spring Hills Realty Co. LLC	Commercial	184,330
Government Employees Insco	Commercial	176,236
Luchetti Janis D Trust	Commercial	149,108
Woodbury Partners	Commercial	131,311
KABRO Associates of Woodbury	Commercial	131,210
Bdg 350 Robbins Lane LLC	Commercial	122,298
	Total[a]	$2,966,960

a. Represents 20.61% of the total assessed valuation of the District for 2020-2021. In 2016, LIPA was reclassified from the real property tax assessment roll to a property with a payment in lieu of taxes (PILOT) agreement.
Source: Town Assessment Rolls.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of District taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. There are no significant claims filed by the larger taxpayers at this time. (See "*Tax Collection Procedure*" herein.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. Two lawsuits have been commenced against the District under the Child Victim's Act. The plaintiffs in each case allege instances of sexual assault by a former District employee. The District denies all allegations and liability in each lawsuit. The District is in the process of determining whether there is insurance coverage from its prior carrier for the claim. Should the plaintiffs be successful in their actions against the District, any liability in excess of any insurance coverage that may be available will be a District charge and would be funded either through budgetary appropriations or through the issuance of notes.

RISK FACTORS
AND
MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

The financial and economic condition of the District, as well as the market for the Notes, could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction, or of any of their respective agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

There are various other forms of risk associated with investing in the Notes. Although none of such risks currently exist with respect to the District or the Notes, there can be no assurance that one or more of such events will not occur in the future. One such risk is that the District will be unable to promptly pay interest and principal on the Notes as they become due (see "*Special Provisions Affecting Remedies Upon Default*", herein). If a Noteholder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

There are a number of factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in certiorari proceedings could result in a large reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing considerable strain on the District's financial condition.

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and schools in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District.

A deterioration of District finances could cause the credit rating of the District bonds to be lowered, suspended or withdrawn, if such action were to be deemed appropriate by Moody's Investors Service Inc. Any of such actions on the part of Moody's Investors Service Inc. could have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

If and when a holder of any of the Notes should elect to sell a Bond or a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interests rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the District. Any such future legislation would have an adverse effect on the market value of the Notes (See "*Tax Matters*" herein).

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. To mitigate such risk the District has contracted with an outside technology firm to assist in the prevention detection and remediation of any such attacks. In addition, the District maintains an insurance policy covering cyber liability. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

IMPACTS OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed forms of opinions of Bond Counsel is set forth in Appendix C hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes possibly being included in gross income for federal income tax purposes as well as for purposes of personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted upon.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect a Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owners or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Certain legislative proposals in recent years generally would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix C.

RATING

The Notes are not rated.

Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, has assigned a rating of "Aa1" to the outstanding bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

OTHER MATTERS

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Notes are to be issued is the Education Law and the Local Finance Law.

There is no bond or note principal or interest past due.

The fiscal year of the District is July 1 to June 30.

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the District, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained from the office of Dr. Patricia M. Rufo, Associate Superintendent for Business, Syosset Central School District, 99 Pell Lane, Syosset, New York 11791, telephone number (516) 364-5651, email:prufo@syossetschools.org, or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: www.munistat.com.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the District also assume no liability or responsibility for any errors or omissions, unauthorized editing or for any updates to dated website information.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Notes is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of facts, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District files with the repositories. When used in District documents or oral presentation, the works "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements. Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the President of the Board of Education of the District pursuant to the power delegated to her by the authorizing tax anticipation note resolution to sell and deliver the Notes.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Syosset Central School District.

By: ______________________________

THOMAS A. ROTOLO
President of the Board of Education
Syosset Central School District

Dated: September , 2022

SYOSSET CENTRAL SCHOOL DISTRICT

APPENDIX A

FINANCIAL INFORMATION

Comparative Balance Sheet
General Fund

	Fiscal Year Ending June 30: 2019	2020	2021
Assets:			
Unrestricted Cash	$ 23,921,259	$ 28,214,733	$ 28,921,814
Restricted Cash	27,672,888	31,375,501	30,553,086
Account Receivable			32,755
Taxes Receivable	4,150,323	7,395,424	5,019,203
Due From Other Funds	1,284,002	1,218,743	1,209,408
Due From State and Federal	3,922,706	3,532,787	2,584,012
Due From Other Governments	393,656	409,850	396,605
Other Receivables, Net	813	9,597	
Prepaids			3,050
Total Assets	$ 61,345,647	$ 72,156,635	$ 68,719,933
Liabilities & Deferred Revenue:			
Accounts Payable	$ 4,217,993	$ 8,312,696	$ 4,877,777
Accrued Liabilities	1,053,596	1,396,545	1,370,995
Due to Other Funds	3,948,654	3,809,398	363,348
Due to Other Governments	297,487	568,051	448,609
Due to Teachers' Retirement System	12,488,930	10,830,690	10,843,723
Due to Employees' Retirement System			926,637
Other Liabilities			5,855,408
Unearned Revenue		472,019	67,934
Overpayments & Collections in Advance	2,046	9,268	
Total Liabilities & Deferred Revenue	22,008,706	25,398,667	24,754,431
Fund Balance:			
Nonspendable		5,050	3,050
Restricted	26,179,113	31,375,501	30,553,086
Assigned	3,678,749	5,711,848	3,522,965
Unassigned	9,479,079	9,665,569	9,886,401
Total Fund Balance	39,336,941	46,757,968	43,965,502
Total Liabilities and Fund Balances	$ 61,345,647	$ 72,156,635	$ 68,719,933

Source: Audited Financial Statements (2019-2021)

NOTE: This table NOT audited

Statement of Revenues, Expenditures and Fund Balances
General Fund

	Fiscal Year Ending June 30: 2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	$ 175,611,812	$ 180,097,278	$ 185,039,149	$ 192,360,109	$ 196,806,975
Other Real Property Tax Items	20,359,928	20,474,032	19,842,159	17,209,735	16,677,952
Charges for Services	845,496	992,055	1,024,489	893,015	737,839
Use of Money and Property	195,428	421,386	878,739	815,967	115,559
Forfeitures	1,200				
Sale of Property & Compensation for Loss	11,644	8,706	206,485	99,440	113,871
Miscellaneous	917,532	1,087,511	967,088	1,923,333	1,190,528
State Sources	14,075,820	15,250,863	17,146,117	17,266,476	18,150,038
Medicaid Reimbursement	21,663	18,449	25,121	30,201	31,861
Interfund Revenues					
Federal Sources					239,886
Total Revenues	212,040,523	218,350,280	225,129,347	230,598,276	234,064,509
Expenditures:					
General Support	21,733,719	22,991,880	24,289,003	25,812,078	28,519,171
Instruction	123,772,197	125,348,126	128,973,595	128,863,439	132,023,381
Pupil Transportation	9,024,549	9,565,456	9,992,771	8,438,727	10,155,660
Community Services	219,336	278,539	289,573	243,110	76,687
Employee Benefits	50,131,653	50,928,991	53,468,935	51,902,992	53,468,531
Debt Service	239,750	429,410	603,017	323,333	415,556
Total Expenditures	205,121,204	209,542,402	217,616,894	215,583,679	224,658,986
Excess (Deficit) of Revenues Over Expenditures	6,919,319	8,807,878	7,512,453	15,014,597	9,405,523
Other Financing Sources (Uses)					
Premium on Obligations					
Interfund Transfers In	536,391		791,192		421,615
Interfund Transfers Out	(16,726,945)	(18,147,565)	(8,776,466)	(7,593,570)	(12,619,604)
Total Other Financing Sources (Uses)	(16,190,554)	(18,147,565)	(7,985,274)	(7,593,570)	(12,197,989)
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	(9,271,235)	(9,339,687)	(472,821)	7,421,027	(2,792,466)
Fund Balance - Beg. of Year	58,420,684	49,149,449	39,809,762	39,336,941	46,757,968
Adjustments					
Fund Balance - End of Year	$ 49,149,449	$ 39,809,762	$ 39,336,941	$ 46,757,968	$ 43,965,502

Source: Audited Financial Statements (2017-2021)
NOTE: This table NOT audited

Budget Summaries
General Fund

	Fiscal Year Ending June 30: 2022-2023	2021-2022
Revenues:		
Real Property Taxes	$ 213,200,492	$ 208,289,296
Pilots (Including LIPA)	9,745,061	9,588,924
Restricted Reserves	4,550,400	4,854,579
Miscellaneous	2,976,559	1,882,649
State Aid	25,658,758	19,731,030
Appropriated Fund Balance	1,700,000	2,813,547
Total Revenues	$ 257,831,270	$ 247,160,025
Expenditures:		
General Support	$ 30,849,796	$ 28,554,001
Instruction	144,541,368	139,051,049
Pupil Transportation	11,763,779	11,755,322
Community Services	315,877	315,877
Employee Benefits	60,799,518	57,649,947
Interfund Transfers	3,090,000	1,913,547
Debt Service	6,470,932	7,920,282
Total Expenditures	$ 257,831,270	$ 247,160,025

The 2022-23 budget was approved by the voters of the District on May 17, 2022.
The 2021-22 budget was approved by the voters of the District on May 18, 2021.

Source: Adopted Budgets of the District

SYOSSET CENTRAL SCHOOL DISTRICT

APPENDIX B

CASH FLOW SUMMARIES

SYOSSET CENTRAL SCHOOL DISTRICT

CASH FLOW SUMMARY 2021-2022 (Actual)
(General Fund Only)
(000's Omitted)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	TOTALS
Balance	28,922	17,681	19,289	30,217	21,879	87,940	57,400	50,136	30,838	18,508	30,092	70,357	28,922 a.
Receipts													
Property Taxes	59	5,019		9,500	84,000		4	1		28,059	70,001	13,657	210,300
STAR Payment							6,753						6,753
PILOT				2,147	63	2	1,324	45	643	1,306	3,508	8	9,046
State Aid	6	669	3,797	58	1,220	1,279	226	485	5,226			1,652	14,618
Federal Aid		53	5			19			35	6		10	128
Federal Fund Receipts	202	6	107								74		389
School Lunch Receipts	166		6	167	342	644		605	256				2,186
Transfers from Reserves				111								4,654	4,765
Interest	1	1	1	1	2	3	2	2	1	1	3	4	22
Interfund Transfers								6					6
Other Receipts	107	127	70	239	122	88	192	124	378	291	349	492	2,579
TAN Proceeds			27,271										27,271
Total Receipts	541	5,875	31,257	12,223	85,749	2,035	8,501	1,268	6,539	29,663	73,935	20,477	278,063
Disbursements													
Salaries and Benefits	4,231	2,925	15,316	15,601	11,224	16,653	11,348	15,702	14,281	13,513	14,079	34,280	169,153
Service and Support	2,861	850	2,575	4,168	5,912	6,504	3,392	4,090	4,512	3,601	4,320	6,593	49,378
TRS Payment													0
ERS Payment						3,353							3,353
Debt Service	4,656					2,473						366	7,495
Library Taxes		169		300	2,182	474				886	1,866	931	6,808
Capital Transfer			1,914										1,914
Interfund Transfers	34	323	524	381	370	352	1,025	774	76	79	62	260	4,260
Return of Good Faith Deposits													0
Transfer to Reserves				111								7,664	7,775
FICA Deferral Repayment						2,766							2,766
TAN Principal											13,343	13,657	27,000
TAN Interest												299	299
Total Disbursements	11,782	4,267	20,329	20,561	19,688	32,575	15,765	20,566	18,869	18,079	33,670	64,050	280,201
Balance	17,681	19,289	30,217	21,879	87,940	57,400	50,136	30,838	18,508	30,092	70,357	26,784	26,784
Note Payment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	13,343	0
Receipts	0	0	0	0	0	0	0	0	0	0	13,343	13,657	27,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	27,000	27,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	13,343	0	0

a. Opening balance as of June 30, 2021.

SYOSSET CENTRAL SCHOOL DISTRICT

CASH FLOW SUMMARY 2022-20232 (Projected)
(General Fund Only)
(000's Omitted)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	TOTALS
Balance	26,784	17,322	15,125	31,554	13,134	2,118	44,283	36,126	16,132	1,587	18,990	61,447	26,784 a.
Receipts													
Property Taxes		3,996			9,000	72,500				34,000	65,500	27,000	211,996
STAR Payment							6,653						6,653
PILOT	58			2,077	63	548	940	104	643	1,365	160	3,432	9,390
State Aid	156	498	9,009	4,001	4,002	914	65	433	3,279			1,813	24,170
Federal Aid		53	5			19			35	6	1	8	127
Federal Funds Receipts		207	107								74		388
School Lunch Receipts	984	184	71	51	298	366	304	304	362	276	462	236	3,898
Interest	1	1	1	1	2	3	2	2	1	1	3	3	21
Other Receipts	38	127	70	239	122	88	193	124	379	197	349	382	2,308
TAN Proceeds			30,000										30,000
Total Receipts	1,237	5,066	39,263	6,369	13,487	74,438	8,157	967	4,699	35,845	66,549	32,874	288,951
Disbursements													
Salaries and Benefits	4,316	2,983	15,622	15,913	11,449	16,986	11,575	16,016	14,566	13,783	14,360	34,965	172,534
Service and Support	2,919	867	2,627	4,251	6,030	6,634	3,460	4,171	4,602	3,674	4,406	6,725	50,366
TRS Payment			3,937	3,937	3,937								11,811
ERS Payment						3,035							3,035
Debt Service	3,264					2,501	254					333	6,352
Library Taxes			124	307	2,717					906	2,264	442	6,760
Capital Transfer		3,090											3,090
Interfund Transfers	200	323	524	381	370	352	1,025	774	76	79	62	260	4,426
FICA Deferral Payment						2,765							2,765
TAN Principal											3,000	27,000	30,000
TAN Interest												750	750
Total Disbursements	10,699	7,263	22,834	24,789	24,503	32,273	16,314	20,961	19,244	18,442	24,092	70,475	291,889
Balance	17,322	15,125	31,554	13,134	2,118	44,283	36,126	16,132	1,587	18,990	61,447	23,846	23,846
Note Payment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	3,000	0
Receipts	0	0	0	0	0	0	0	0	0	0	3,000	27,000	30,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	30,000	30,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	3,000	0	0

a. Opening balance as of June 30, 2022.

SYOSSET CENTRAL SCHOOL DISTRICT

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

FORM OF BOND COUNSEL'S OPINION

September 15, 2022

Syosset Central School District,
County of Nassau,
State of New York

Re: Syosset Central School District, Nassau County, New York
$30,000,000 Tax Anticipation Notes, 2022

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $30,000,000 Tax Anticipation Note, 2022 (the "Obligation"), of the Syosset Central School District, Nassau County, New York (the "Obligor"), dated September 15, 2022, numbered , of the denomination of $30,000,000, bearing interest at the rate of % per annum, payable at maturity, and maturing June 28, 2023.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax on individuals. For tax years beginning after December 31, 2022 interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for Federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/es

SYOSSET CENTRAL SCHOOL DISTRICT

APPENDIX D

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.

SYOSSET

CENTRAL SCHOOL DISTRICT

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

SYOSSET CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

VINCENT D. CULLEN, CPA
(1950 – 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of the Syosset Central School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

1650 ROUTE 112, PORT JEFFERSON STATION, NEW YORK 11776-3060
PHONE: 631-473-3400 FAX: 631-473-4863 WWW.CDLLP.NET

Summary of Opinions

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

Basis for Qualified Opinion on the Extraclassroom Activities Fund

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

Qualified Opinion

In our opinion, except for the effect of any adjustments that might have been necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the "Basis for Qualified Opinion on the Extraclassroom Activities Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the extraclassroom activities fund of the Syosset Central School District, as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, other than the extraclassroom activities fund, and the fiduciary fund of the Syosset Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of the District's proportionate share of the net pension asset/(liability), schedule of District pension contributions and schedule of changes in the District's total OPEB liability and related ratios pages 4 through 18 and 58 through 62, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Syosset Central School District's basic financial statements. The other supplementary information on pages 63 through 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information requested by the New York State Education Department. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 on our consideration of the Syosset Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Syosset Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Syosset Central School District's internal control over financial reporting and compliance.

Cullen & Danowski, LLP

October 13, 2021

The Syosset Central School District's discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021 in comparison with the year ended June 30, 2020, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- The District's total net position was a deficit of $241,322,795 in the district-wide financial statements at June 30, 2021, compared to a deficit of $214,193,047 at June 30, 2020. The deficit increased by $27,129,748 over the prior year due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.

- The District's total net position at June 30, 2020 was restated and increased by $382,009, which is due to the required implementation of GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year.

- The District's expenses for the year, as reflected in the district-wide financial statements, totaled $265,819,054. Of this amount, $5,080,565 was offset by program charges for services and operating grants and contributions. General revenues of $233,608,741 amount to 97.87% of total revenues.

- The District's general fund fund balance, as reflected in the fund financial statements was $43,965,502 at June 30, 2021. This balance represents a $2,792,466 decrease (5.97%) from the prior year due to an excess of expenditures and other financing uses over revenues and other financing sources, using the current financial resources measurement focus and the modified accrual basis of accounting. Nonspendable fund balance decreased by $2,000, which represents the change in prepaids. Restricted fund balances decreased by $822,415 due to the use of reserves, offset by the funding of reserves and interest allocated to the reserves. Assigned fund balance decreased $2,188,883, as the District decreased the fund balance appropriated to fund the 2022 budget and the assignment for encumbrances. Unassigned fund balance increased by $220,832 to $9,886,401.

- On February 13, 2018, the voters approved capital improvement projects – Phase II for district-wide improvements more specifically described in the architect and engineers prepared document. The estimated cost of the work is $45,810,000. $11,464,500 of the existing capital reserve was used for initial funding. The balance of $34,345,500 to be obtained through issuing debt as authorized by the voters. The District has issued debt in the amount of $30,180,000 and a total of $38,672,390 has been expended as of June 30, 2021. On July 15, 2020, the District issued the remaining authorized debt of $4,165,000.

- On February 13, 2018, the voters authorized the District to make energy efficient improvements to various District buildings and facilities at a maximum estimated cost of $19,989,248. On July 15, 2020 the District issued bonds in the amount of $19,985,000 to fund these improvements and a total of $8,321,787 has been expended as of June 30, 2021.

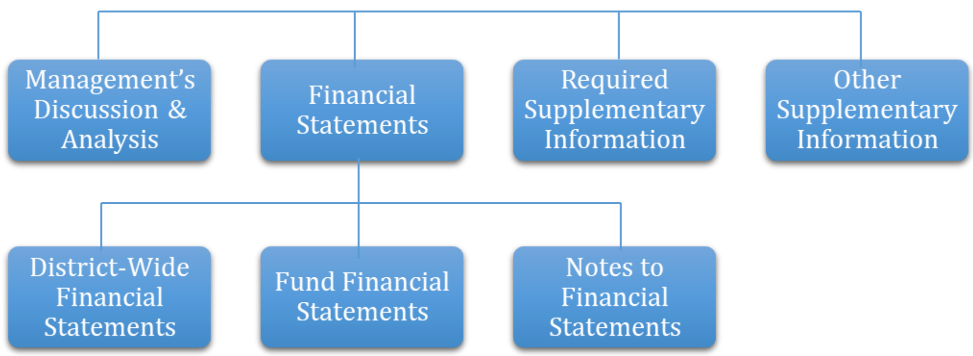
- On June 9, 2020, the voters approved the capital reserve known as the "2020 Construction Capital Reserve Fund." The reserve has a funding cap of $20,000,000 plus investment income over a probable term of 10 years and provides for funding of annual amounts not exceeding $5,000,000 from the general fund or transfers from other reserves. This reserve has been funded by the District in the amount of $5,500,000 through June 30, 2021.

- The District's 2021 property tax levy of $204,236,165 was a 1.70% increase over the 2020 tax levy. The District's property tax cap was 3.23%.

- The District was awarded funding under the Coronavirus Aid Relief and Economic Security (CARES) Act through the Elementary and Secondary School Emergency Relief (ESSER) Program and the Governor's Emergency Education Relief (GEER) program in the amount of $222,165. The District applied for additional funding in the amount of $696,180 allocated under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which awards were granted in July 2021.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-Wide Financial Statements

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

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

The Statement of Net Position

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

<u>The Statement of Activities</u>

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

B. Fund Financial Statements

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

<u>Governmental Funds</u>

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

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

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

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

<u>Fiduciary Funds</u>

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

Certain balances at June 30, 2020 were adjusted as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*, which required the District to record activities in the Governmental Funds that had previously been recorded in the Fiduciary Funds. Consequently, the District now includes the agency fund activities in the general fund, and the extraclassroom activities, scholarships and permanent funds as separate governmental funds. The changes resulted in an increase in total net position. The following is a summary of these changes:

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

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

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

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

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

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

Net pension asset – proportionate share represents the District's share of the New York State Teachers' Retirement System's collective net pension asset, at the measurement date of the respective year. In the current year, the District's proportionate share shifted from an asset to a liability. The accompanying Notes to Financial Statements, Note 14 "Pension Plans – New York State" provides additional information.

Deferred outflows of resources represents contributions to the pension plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years, and the amount of deferred charges from the bond refunding that is being amortized over the remaining term of the bonds.

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

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

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

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

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

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

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

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

B. Changes in Net Position

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

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

The results of operations as a whole are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows:

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

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

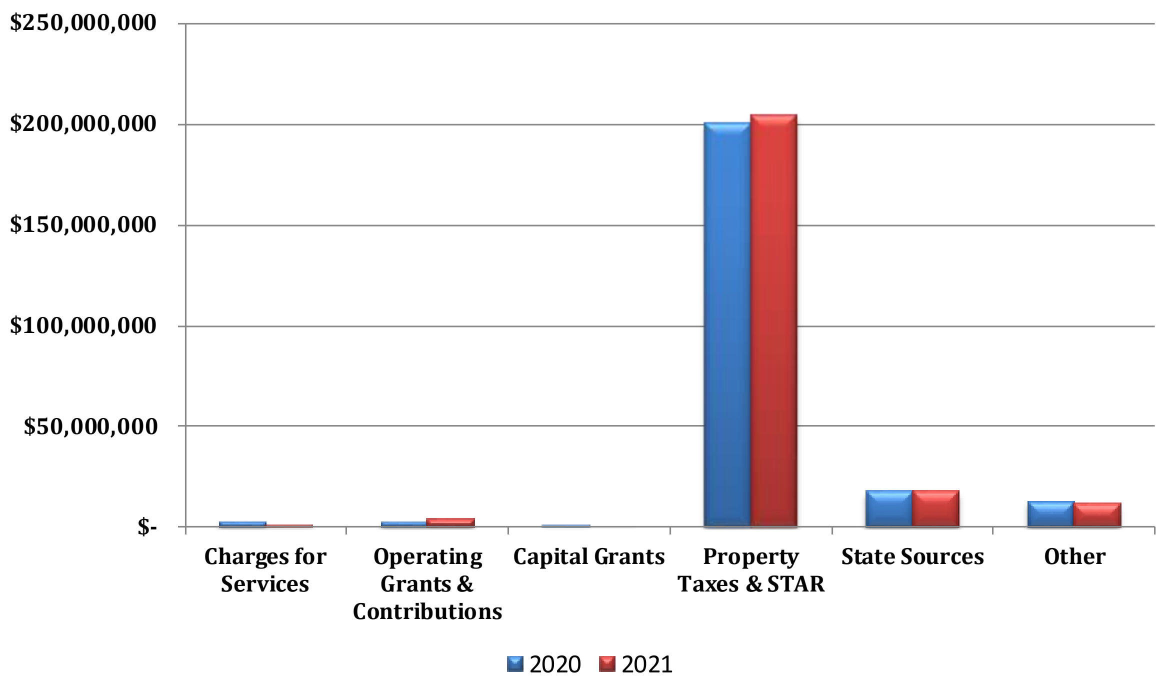
The District's revenues increased by $1,703,104 or 0.72%. The major factors that contributed to the increase were:

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

The District's total expenses for the year increased by $7,575,238 or 2.93%. The increase in expense is primarily due to increases in instruction, general support, and pupil transportation, offset by a decrease in community services. The primary reason for the increases in instruction and general support is the impact of COVID-19 related expenses, as well as the net change in other postemployment benefits costs allocated. Pupil transportation expenses increased due to an increase in contract bus expenses.

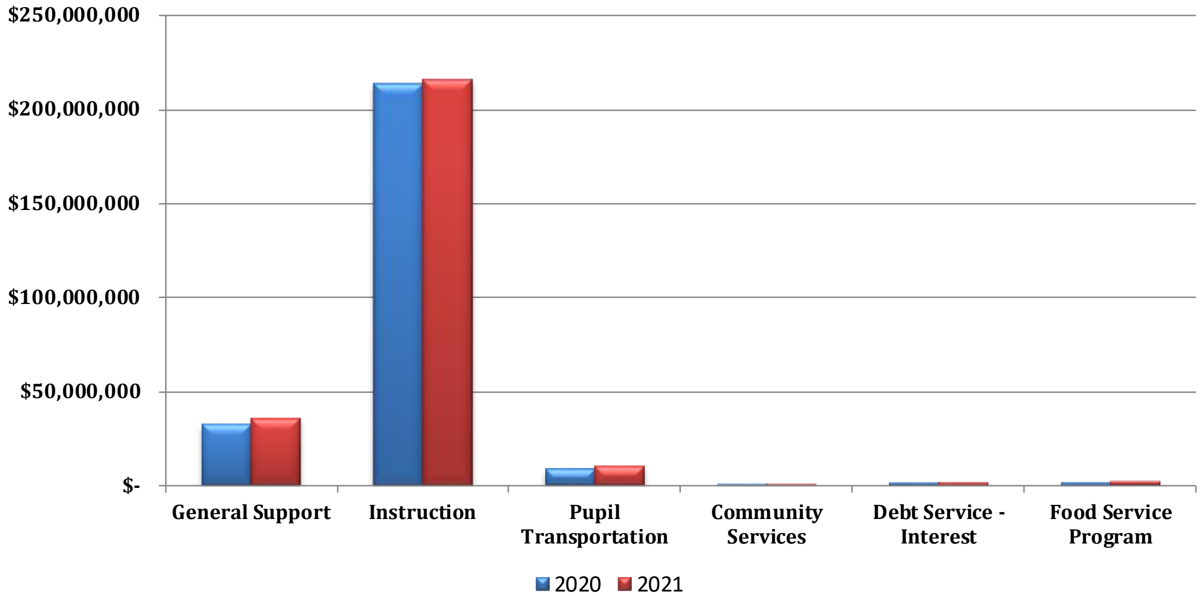
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 85.6% and 84.7% of the total for the years 2021 and 2020, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 81.2% and 82.8% of the total for the years 2021 and 2020, respectively).

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



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

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



	General Support	Instruction	Pupil Transportation	Community Services	Debt Service - Interest	Food Service Program
2020	12.5%	82.8%	3.4%	0.2%	0.5%	0.6%
2021	13.5%	81.2%	4.0%	0.0%	0.6%	0.7%

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of $75,658,226, which is an increase of $5,182,437 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. The June 30, 2020 amounts were restated to include the extraclassroom activities, scholarships, and permanent funds, as a result of the implementation of GASB Statement No. 84. A summary of the change in the components of fund balance by fund is as follows:

	June 30, 2021	As Restated June 30, 2020	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Prepaids	$ 3,050	$ 5,050	$ (2,000)	(39.60)%
Restricted				
Workers' compensation	3,275,338	3,275,338	-	0.00 %
Unemployment insurance	735,664	737,238	(1,574)	(0.21)%
Retirement contribution				
Teachers' retirement system	5,817,238	4,213,043	1,604,195	38.08 %
Employees' retirement system	14,194,991	14,161,842	33,149	0.23 %
Insurance	314,474	313,740	734	0.23 %
Employee benefit accrued liability	3,374,308	3,466,195	(91,887)	(2.65)%
Capital	2,669,617	5,036,757	(2,367,140)	(47.00)%
Repairs	171,456	171,348	108	0.06 %
Assigned:				
Appropriated fund balance	2,813,547	4,967,274	(2,153,727)	(43.36)%
Unappropriated fund balance	709,418	744,574	(35,156)	(4.72)%
Unassigned: Fund balance	9,886,401	9,665,569	220,832	2.28 %
	43,965,502	46,757,968	(2,792,466)	(5.97)%
School Food Service Fund				
Nonspendable: Inventory	1,293	6,761	(5,468)	(80.88)%
Assigned: Unappropriated fund balance	195,322	94,089	101,233	107.59 %
	196,615	100,850	95,765	94.96 %
Debt Service Fund				
Restricted: Debt	940,479	672,357	268,122	39.88 %
Capital Projects Fund				
Restricted:				
Capital	5,486,551	5,744,945	(258,394)	(4.50)%
Unspent bond proceeds	19,054,739	13,698,332	5,356,407	39.10 %
Assigned: Unappropriated fund balance	5,683,758	3,119,328	2,564,430	82.21 %
	30,225,048	22,562,605	7,662,443	33.96 %
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	327,300	377,729	(50,429)	(13.35)%
Scholarships Fund				
Restricted: Scholarships	282	1,280	(998)	(77.97)%
Permanent Fund				
Nonspendable	3,000	3,000	-	0.00 %
Total Fund Balance	$ 75,658,226	$ 70,475,789	$ 5,182,437	7.35 %

A. General Fund

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

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

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

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

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

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

B. School Food Service Fund

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

C. Debt Service Fund

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

D. Capital Projects Fund

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

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

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

E. Extraclassroom Activities Fund

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

F. Scholarships Fund

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

G. Permanent Fund

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

5. <u>GENERAL FUND BUDGETARY HIGHLIGHTS</u>

A. 2020-2021 Budget

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

The final budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was $204,236,165 in estimated property taxes and STAR.

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

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

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

Opening, Unassigned Fund Balance

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

Revenues Over Budget

The 2020-2021 final budget for revenues was $232,795,971. Actual revenues and other sources recognized for the year were $234,486,124. The excess of actual revenues over estimated or budgeted revenues was $1,690,153, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures and Encumbrances Under Budget

The 2020-2021 final budget for expenditures was $245,260,144. Actual expenditures and other uses as of June 30, 2021 were $237,278,590 and outstanding encumbrances were $709,418. Combined, the expenditures plus encumbrances for 2020-2021 were $237,988,008. The final budget variance was $7,272,136, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2020 to June 30, 2021. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Change in Nonspendable Fund Balance

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

Unused Appropriated Reserves

In the 2020-2021 budget, $3,880,000 of reserves was appropriated to reduce the tax levy. Due to lower than anticipated reserve expenditures, $47,695 from the workers' compensation reserve and unemployment reserve was not needed and, therefore, was required to be returned to the reserve and is available for future use.

Allocation to Reserves

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

Appropriated Fund Balance

The District has chosen to use $2,813,547 of the available June 30, 2021 unassigned fund balance to partially fund the 2021-2022 approved operating budget. As such, the June 30, 2021 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the summary table, the unassigned fund balance at June 30, 2021 was $9,886,401. This amount equals 4.00% of the 2021-2022 budget and is at the statutory limit.

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

A. Capital Assets

At June 30, 2021, the District had invested in a broad range of capital assets, as indicated in the table below. The net increase in capital assets is due to capital additions of $27,052,508 in excess of depreciation expense of $4,720,035 recorded for the year ended June 30, 2021. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2021 and 2020 is as follows:

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

B. Debt Administration

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

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

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

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, and workers' compensation liabilities, net pension liabilities – proportionate share and total other postemployment benefits liability, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2021 and 2020 is as follows:

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

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

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

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

B. Future Budgets

The property tax cap, uncertainty in state aid and federal funding, as well as the continuing effect of the COVID-19 pandemic, will impact the District's future budgets.

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2021-2022 is 2.31%. The District's 2021-2022 property tax increase of 1.98% was less than the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

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

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

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

ASSETS	
Cash	
Unrestricted	$ 41,756,865
Restricted	56,038,137
Receivables	
Accounts receivable	32,755
Taxes receivable	5,019,203
Due from state and federal	4,222,340
Due from other governments	396,605
Prepaids	3,050
Inventory	1,293
Capital assets:	
Not being depreciated	40,892,267
Being depreciated, net of accumulated depreciation	95,538,716
Total Assets	243,901,231
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges from advance refunding, net	3,887
Pensions	73,425,667
Other postemployment benefits	130,151,036
Total Deferred Outflows of Resources	203,580,590
LIABILITIES	
Payables	
Accounts payable	11,876,750
Accrued liabilities	1,985,215
Due to fiduciary funds	169,102
Due to other governments	465,149
Due to teachers' retirement system	10,843,723
Due to employees' retirement system	926,637
Other liabilities	5,855,408
Unearned credits	
Collections in advance	218,228
Long-term liabilities	
Due and payable within one year	
Bonds payable, net	6,308,707
Compensated absences payable	100,000
Due and payable after one year	
Bonds payable, net	58,090,400
Compensated absences payable	5,235,985
Workers' compensation liabilities	2,861,480
Net pension liabilities - proportionate share	17,317,575
Total other postemployment benefits liability	449,848,479
Total Liabilities	572,102,838
DEFERRED INFLOWS OF RESOURCES	
Pensions	26,426,544
Other postemployment benefits	90,275,234
Total Deferred Inflows of Resources	116,701,778
NET POSITION (DEFICIT)	
Net investment in capital assets	92,260,722
Restricted:	
Workers' compensation	3,275,338
Unemployment insurance	735,664
Retirement contribution	
Teachers' retirement system	5,817,238
Employees' retirement system	14,194,991
Insurance	314,474
Employee benefit accrued liability	3,374,308
Capital	8,156,168
Repairs	171,456
Debt	940,479
Scholarships	282
	36,980,398
Unrestricted (Deficit)	(370,563,915)
Total Net Position (Deficit)	$ (241,322,795)

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

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

as Restated

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

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

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

Total Governmental Fund Balances		$ 75,658,226
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of building and acquiring capital assets (land, construction in progress, buildings and improvements, land improvements, and furniture, equipment and vehicles) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 218,376,491	
Less: Accumulated depreciation	(81,945,508)	
		136,430,983
Proportionate share of long-term liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	73,425,667	
Net pension liability - teachers' retirement system	(17,256,861)	
Net pension liability - employees' retirement system	(60,714)	
Deferred inflows of resources	(26,426,544)	
		29,681,548
Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.		
Deferred charges on advance refunding, net		3,887
Total other postemployment benefits liability and deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	130,151,036	
Total other postemployment benefits liability	(449,848,479)	
Deferred inflows of resources	(90,275,234)	
		(409,972,677)
Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.		67,934
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Accrued interest on bonds payable	(596,124)	
Bonds payable, net	(64,399,107)	
Compensated absences payable	(5,335,985)	
Workers' compensation liabilities	(2,861,480)	
		(73,192,696)
Total Net Position (Deficit)		$ (241,322,795)

SYOSSET CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

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

SYOSSET CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances		$ 5,182,437
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
Certain revenues are recognized in the governmental funds when they provide current financial resources. However, these revenues were recognized in the Statement of Activities in prior years when they were earned.	$ (404,085)	
Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during the year, resulting in a reduction of the long-term liability and an increase in the net position.		
Decrease in compensated absences payable	625,865	
Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.		
Increase in workers' compensation liabilities	(125,723)	
		96,057
Capital Related Differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation in the period.		
Capital outlays and other additions	27,052,508	
Depreciation expense	(4,720,035)	
		22,332,473
Long-Term Debt Transactions Differences		
Proceeds from the issuance of bonds and premiums are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(24,839,430)	
The amortization of the deferred premium, net of the amortization of the deferred charges on the advance refunding of bonds, decreases interest expense in the Statement of Activities.	232,111	
Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Repayment of bond principal	4,705,000	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest increased from June 30, 2020 to June 30, 2021.	(374,212)	
		(20,276,531)
Pension and Other Postemployment Benefits Differences		
The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.		
Teachers' retirement system	(13,505,854)	
Employees' retirement system	1,186,577	
Other postemployment benefits	(22,144,907)	
		(34,464,184)
Change in Net Position (Deficit) of Governmental Activities		$ (27,129,748)

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

	Custodial
ASSETS	
Cash and cash equivalents	$ 7,436
Due from governmental funds	169,102
Total Assets	176,538
LIABILITIES	
Due to other governments	169,281
Other liabilities	7,257
Total Liabilities	176,538
NET POSITION	
Restricted for individuals, organizations, and other governments	$ -

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2021

	Custodial
ADDITIONS	
Real property taxes collected for the Library	$ 7,548,485
DEDUCTIONS	
Real property taxes payments to the Library	7,548,485
Change in Net Position	-
Net Position - Beginning of Year	
Net Position - End of Year	$ -

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Joint Venture

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

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Extraclassroom Activities Fund – is used to account for the funds operated by and for the students of the District.

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

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

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

Custodial Fund – is used to account for real property taxes collected on behalf of other governments and disbursed to those governments.

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Real Property Taxes

Calendar

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

Enforcement

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

F. Payments in Lieu of Taxes (PILOT)

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

The District's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes with annual increases of no more than 2% in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The District received $5,155,427 in LIPA PILOT revenue during the 2020-2021 fiscal year.

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

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

I. Use of Estimates

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

J. Cash and Cash Equivalents

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

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

K. Receivables

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

L. Inventory and Prepaid Items

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

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

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

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

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

M. Capital Assets

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

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

	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

N. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has three items that qualify for reporting in this category. First is the unamortized amount of deferred charges from a prior year's refunding of bonds that is being amortized as a component of interest expense on a weighted average basis through June 30, 2022. The second item is related to pensions and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in collective pension expense and the District's contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item is related to OPEB and represents the change in the total other postemployment benefits liability not included in OPEB expense.

O. Short-Term Debt

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

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

P. Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as prepaid lunch amounts. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the District has legal claim to the resources.

Q. Employee Benefits – Compensated Absences

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

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

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

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

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

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

R. Other Benefits

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

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

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

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

S. Deferred Inflows of Resources

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

T. Equity Classifications

District-Wide Statements

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

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

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

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

Fund Statements

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

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

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

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. The Board may also adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

Insurance Reserve

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

Employee Benefit Accrued Liability Reserve

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

Capital Reserve

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

Repairs Reserve

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

Restricted for Debt

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

Restricted for Scholarships

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

Restricted – Unspent Bond Proceeds

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

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

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

<u>Fund Balance Classification</u>

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

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

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

2. <u>CHANGES IN ACCOUNTING PRINCIPLES</u>

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities.* This statement provides guidance for identifying fiduciary activities, primarily based on whether the assets associated with the activities are controlled by the government and the government does not have administrative involvement with the assets. As a result, agency and private purpose trust activities previously reported within the fiduciary funds are now reported within the governmental funds.

3. FUTURE ACCOUNTING STANDARDS

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

Effective for the Year Ending	**Statement**
June 30, 2022	GASB No. 87 - *Leases*

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

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

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

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

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

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

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

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

Budgets are adopted annually on a basis consistent with GAAP.

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

B. Encumbrances

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

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

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

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

7. PARTICIPATION IN BOCES

During the year ended June 30, 2021, the District was billed $13,087,130 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $4,325,055. Financial statements for BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

8. DUE FROM STATE AND FEDERAL

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

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

District management expects these amounts to be fully collectible.

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

9. DUE FROM OTHER GOVERNMENTS

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

General Fund	
PILOT payments	$ 158,566
Charges for services	238,039
	$ 396,605

District management expects these amounts to be fully collectible.

10. CAPITAL ASSETS

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

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

Depreciation expense was charged to governmental functions as follows:

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

11. INTERFUND TRANSACTIONS

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

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

The District typically transfers from the general fund to the special aid fund, debt service fund and capital projects fund. The transfer to the special aid fund was for the District's share of the costs for summer program for students with disabilities. The transfer to the debt service fund was for the payment of principal and interest on long-term outstanding indebtedness. The transfer to the capital projects fund is $1,767,274 per the 2020-2021 operating budget and $2,872,325 per the Board approved resolution for emergency ventilation repair and replacement projects.

12. SHORT-TERM DEBT

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

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

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

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

13. LONG-TERM LIABILITIES

A. Changes

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Long-term debt:					
Bonds payable	$ 43,780,000	$ 24,150,000	$ (4,705,000)	$ 63,225,000	$ 6,105,000
Add: Premiums on bonds	728,249	689,430	(243,572)	1,174,107	203,707
	44,508,249	24,839,430	(4,948,572)	64,399,107	6,308,707
Other long-term liabilities:					
Compensated absences	5,961,850		(625,865)	5,335,985	100,000
Workers' compensation	2,735,757	852,728	(727,005)	2,861,480	
	8,697,607	852,728	(1,352,870)	8,197,465	100,000
	$ 53,205,856	$ 25,692,158	$ (6,301,442)	$ 72,596,572	$ 6,408,707

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

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Serial bonds	7/01	7/2021	4.0-5.0 %	$ 10,000
Serial bonds	7/02	7/2021	4.1-5.0 %	20,000
Serial bonds (refunding)	10/13	12/2025	2.0-5.0 %	4,130,000
Serial bonds (refunding)	10/13	7/2025	2.0-5.0 %	3,840,000
Serial bonds (refunding)	5/15	7/2026	2.0-5.0 %	850,000
Serial bonds (refunding)	11/17	7/2021	5.00%	1,355,000
Serial bonds	9/19	12/2038	2.0-2.25%	28,870,000
Serial bonds	7/20	1/2036	2.00%	24,150,000
				$ 63,225,000

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

Year Ending June 30,	Principal	Interest	Total
2022	$ 6,105,000	$ 1,693,281	$ 7,798,281
2023	5,095,000	1,255,931	6,350,931
2024	4,240,000	1,112,319	5,352,319
2025	4,325,000	989,725	5,314,725
2026	4,450,000	861,719	5,311,719
2027 - 2031	16,205,000	3,155,744	19,360,744
2032 - 2036	17,390,000	1,473,644	18,863,644
2037 - 2039	5,415,000	180,053	5,595,053
Total	$ 63,225,000	$ 10,722,416	$ 73,947,416

C. Amortization of Deferred Amounts

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

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

D. Interest Expense

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

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

E. Library Debt

In 2013, the District advance refunded $8,035,000 of serial bonds on behalf of the Library. The bonds were used for reconstruction of the Library building. Although the bond issue is an obligation of the District, the Library Board has committed to raise funds through its budget and tax levy sufficient enough to transfer to the District for the ensuing debt service payments. In the year ended June 30, 2021, the Library paid $925,600 towards the current debt service payments.

14. PENSION PLANS – NEW YORK STATE

A. General Information

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

B. Provisions and Administration

Teachers' Retirement System

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

Employees' Retirement System

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

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer contributions are deducted from state aid in the subsequent months of September, October, and November. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 8.86% of covered payroll for the TRS' fiscal year ended June 30, 2020. The District's average contribution rate was 14% of covered payroll for the ERS' fiscal year ended March 31, 2021.

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

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

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of June 30, 2020, for TRS and March 31, 2021 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

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

For the year ended June 30, 2021, the District recognized pension expense of $23,589,228 for TRS and $1,865,177 for ERS. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 15,120,464	$ 741,488	$ 884,381	$
Changes of assumptions	21,825,913	11,163,427	7,779,798	210,546
Net difference between projected and actual earnings on pension plan investments	11,270,243			17,440,762
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,290,628	1,009,469	54,160	56,897
District contributions subsequent to the measurement date	10,077,398	926,637		
Total	$ 59,584,646	$ 13,841,021	$ 8,718,339	$ 17,708,205

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Inflation	2.20%	2.70%
Salary increases	1.90-4.72%	4.40%
Investment rate of return (net of investment expense, including inflation)	7.10%	5.90%
Cost of living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, applied on a generational basis. Active member mortality rates are based on plan member experience. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

For TRS, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10% for TRS and 5.90% for ERS (the discount rate used by the ERS at the prior year's measurement date of March 31, 2020, was 6.80%). The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.10% for TRS and 5.90% for ERS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.10% for TRS and 4.90% for ERS) or 1 percentage point higher (8.10% for TRS and 6.90% for ERS) than the current rate:

TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
District's proportionate share of the net pension asset (liability)	$ (109,005,648)	$ (17,256,861)	$ 59,743,621

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset (liability)	$ (16,851,979)	$ (60,714)	$ 15,424,762

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, 2020	March 31, 2021
Employers' total pension liability	$ (123,242,776)	$ (220,680,157)
Plan fiduciary net position	120,479,505	220,580,583
Employers' net pension liability	$ (2,763,271)	$ (99,574)
Ratio of plan fiduciary net position to the employers' total pension liability	97.76%	99.95%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021, are paid to the system in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021, represent employer and employee contributions for the fiscal year ended June 30, 2021, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2021 amounted to $10,077,398 of employer contributions and $766,325 of employee contributions.

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

15. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

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

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this plan. The amount deferred by eligible employees for the year ended June 30, 2021, totaled $808,319.

16. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

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

B. Total OPEB Liability

The District's total OPEB liability of $449,848,479 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

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

Inflation	2.60%	
Salary increases	2.60%	average, including inflation
Discount rate	2.16%	
Healthcare cost trend rates	5.30%	decreasing to an ultimate rate of 4.10% over 55 years
Retirees' share of benefit-related costs	22.00%	Superintendent
	0.00%	Administrators - first eligible
	10.00%	Administrators post-eligible and all other employees

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

Mortality rates were based on the RP-2014 adjusted to 2006 total Dataset Mortality Table, generationally projected using Scale MP 2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	$ 418,217,069
Changes for the year	
Service cost	14,228,085
Interest	9,455,937
Changes of benefit terms	-
Differences between expected and actual experience	(63,063,280)
Changes in assumptions or other inputs	80,210,319
Benefit payments	(9,199,651)
	31,631,410
Balance at June 30, 2021	$ 449,848,479

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

OPEB	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	$ (537,567,116)	$ (449,848,479)	$ (380,653,764)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30%) or 1 percentage point higher (6.30%) than the current healthcare cost trend rate:

OPEB	1% Decrease 4.30% decreasing to 3.10%	Healthcare Cost Trend Rates 5.30% decreasing to 4.10%	1% Increase 6.30% decreasing to 5.10%
Total OPEB liability	$ (377,881,868)	$ (449,848,479)	$ (545,048,460)

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

For the year ended June 30, 2021, the District recognized OPEB expense of $31,344,558. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	$ 15,798,613	$ 54,491,242
Changes of assumptions or other inputs	114,352,423	35,783,992
Total	$ 130,151,036	$ 90,275,234

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

Year Ending June 30,	Amount
2022	$ 7,660,536
2023	7,660,536
2024	7,660,536
2025	7,738,530
2026	7,138,363
Thereafter	2,017,301
	$ 39,875,802

17. RISK MANAGEMENT

A. General Information

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

B. Risk Retention

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, as provided by the third party administrator, do not include an amount for claims which were incurred on or before year-end but not reported (IBNR). Claims activity is summarized below:

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

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

18. RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

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

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

19. ASSIGNED: APPROPRIATED FUND BALANCE

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

20. RESTRICTED FOR CAPITAL RESERVE

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

Date Created	May 2014	May 2018	June 2020	
Number of Years to Fund	10	10	10	
Maximum Funding	$ 20,000,000	$ 5,000,000	$ 20,000,000	
				Total
General Fund				
Funding Provided Since Inception	$ 20,000,000	$ 2,000,000	$ 5,500,000	$ 27,500,000
Interest Earnings Since Inception	146,809	25,046	5,099	176,954
Use of Reserve Since Inception	(20,135,012)	(2,000,000)	(2,872,325)	(25,007,337)
Total General Fund	11,797	25,046	2,632,774	2,669,617
Capital Projects Fund				
Funding Provided Since Inception	20,135,012	2,000,000	2,872,325	25,007,337
Use of Reserve Since Inception	(16,417,938)	(2,000,000)	(1,102,848)	(19,520,786)
Total Capital Projects Fund	3,717,074	-	1,769,477	5,486,551
Balance as of June 30, 2021	$ 3,728,871	$ 25,046	$ 4,402,251	$ 8,156,168

21. RESTATEMENT OF FUND BALANCE AND NET POSITION

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

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

22. TAX ABATEMENTS

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

23. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

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

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

B. Grants

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

C. Litigation

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

D. BOCES Purchase Agreements

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

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

24. SUBSEQUENT EVENTS

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

A. Issuance of Tax Anticipation Notes

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

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

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

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

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

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

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

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

Teachers' Retirement System

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

Employees' Retirement System

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

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

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

Teachers' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 10,077,398	$ 9,390,927	$ 11,179,049	$ 10,210,954	$ 11,934,097	$ 13,217,181	$ 17,352,729	$ 15,936,073	$ 10,987,130	$ 10,174,683
Contributions in relation to the contractually required contribution	10,077,398	9,390,927	11,179,049	10,210,954	11,934,097	13,217,181	17,352,729	15,936,073	10,987,130	10,174,683
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$105,743,945	$105,992,404	$106,308,429	$ 104,829,796	$102,684,340	$ 99,797,318	$ 98,988,756	$ 98,068,141	$ 92,796,707	$ 91,581,302
Contributions as a percentage of covered payroll	10%	9%	11%	10%	12%	13%	18%	16%	12%	11%

Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 3,075,985	$ 2,804,507	$ 2,814,500	$ 2,953,311	$ 2,743,880	$ 3,061,616	$ 3,863,204	$ 3,635,039	$ 3,239,514	$ 2,750,533
Contributions in relation to the contractually required contribution	3,075,985	2,804,507	2,814,500	2,953,311	2,743,880	3,061,616	3,863,204	3,635,039	3,239,514	2,750,533
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 22,100,180	$ 20,955,369	$ 20,026,091	$ 19,647,613	$ 19,180,199	$ 18,952,012	$ 18,512,867	$ 17,480,011	$ 17,392,116	$ 17,277,518
Contributions as a percentage of covered payroll	14%	13%	14%	15%	14%	16%	21%	21%	19%	16%

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 14,228,085	$ 12,212,805	$ 15,914,697	$ 12,696,778
Interest	9,455,937	12,073,435	10,991,984	10,505,393
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(63,063,280)	-	27,358,576	(1,481,942)
Changes of assumptions or other inputs	80,210,319	66,354,513	(61,967,401)	-
Benefit payments	(9,199,651)	(10,244,232)	(9,851,342)	(7,602,239)
Net change in total OPEB liability	31,631,410	80,396,521	(17,553,486)	14,117,990
Total OPEB liability, beginning	418,217,069	337,820,548	355,374,034	341,256,044
Total OPEB liability, ending	$ 449,848,479	$ 418,217,069	$ 337,820,548	$ 355,374,034
Covered employee payroll	$ 106,294,438	$ 113,117,179	$ 113,117,179	$ 127,500,612
Total OPEB liability as a percentage of covered employee payroll	423.21%	369.72%	298.65%	278.72%
Discount rate	2.16%	2.21%	3.50%	4.10%
Healthcare trend rates	5.30% to 4.10% over 55 years	6.10% to 4.10% over 57 years	6.10% to 4.10% over 57 years	7.50% to 4.50% in 2022

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

Note to Required Supplementary Information

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

SYOSSET CENTRAL SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

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

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget		$ 247,160,025
Maximum allowed (4% of 2021-2022 budget)		$ 9,886,401
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 3,522,965	
Unassigned fund balance	9,886,401	
		$ 13,409,366
Less:		
Appropriated fund balance	2,813,547	
Encumbrances	709,418	
Total adjustments		3,522,965
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		$ 9,886,401
Actual Percentage		4.00%

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

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	Budget June 30, 2020	Budget June 30, 2021	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance June 30, 2021
2016-17 Capital Reserve 2014 - Phase I											
South Grove Annex V/D/G	$ 231,174	$ 372,150	$ 198,011	$ 46,921	$ 244,932	$ 127,218	$	$	$ 372,150	$ 372,150	$ 127,218
AP Willits V/D/G	200,522	504,850	185,641	99,272	284,913	219,937			504,850	504,850	219,937
Berry Hill V/D/G	227,925	465,785	215,446	61,109	276,555	189,230			465,785	465,785	189,230
South Woods V/D/G	269,603	954,083	226,355	260,292	486,647	467,436			954,083	954,083	467,436
Village V/D/G	189,651	507,388	164,463	93,343	257,806	249,582			507,388	507,388	249,582
High School V/D/G	783,745	1,869,526	525,931	458,309	984,240	885,286			1,869,526	1,869,526	885,286
South Grove V/D/G	259,252	534,119	239,971	77,033	317,004	217,115			534,119	534,119	217,115
Baylis V/D/G	220,635	654,300	211,696	115,282	326,978	327,322			654,300	654,300	327,322
W Whitman V/D/G	295,232	791,252	258,343	137,944	396,287	394,965			791,252	791,252	394,965
Robins Lane V/D/G	105,936	470,945	99,458	124,455	223,913	247,032			470,945	470,945	247,032
HBT V/D/G	329,006	1,129,521	277,967	297,938	575,905	553,616			1,129,521	1,129,521	553,616
District Wide Fire Alarms	2,053,931	2,065,722	1,803,616	141,673	1,945,289	120,433			2,065,722	2,065,722	120,433
Baylis Fuel Tanks	132,750	153,750	8,973	106	9,079	144,671			153,750	153,750	144,671
Berry Hill Fuel Tanks	134,650	101,442	94,241	2,228	96,469	4,973			101,442	101,442	4,973
South Grove Fuel Tanks	131,650	108,567	103,149	2,617	105,766	2,801			108,567	108,567	2,801
SG Annex Fuel Tanks	132,750	142,750	13,713		13,713	129,037			142,750	142,750	129,037
Village Fuel Tanks	143,850	155,454	8,581		8,581	146,873			155,454	155,454	146,873
Whitman Fuel Tanks	153,750	153,750	16,104	21,195	37,299	116,451			153,750	153,750	116,451
AP Willits Fuel Tanks	132,750	144,354	13,744		13,744	130,610			144,354	144,354	130,610
S Woods Fuel Tanks	149,750	107,077	107,289	(212)	107,077	-			107,077	107,077	-
HBT Fuel Tanks	132,850	122,850	15,753	85,062	100,815	22,035			122,850	122,850	22,035
High School Fuel Tanks	165,150	126,695	120,897	3,305	124,202	2,493			126,695	126,695	2,493
High School Temporary Vestibule	16,227	16,227	16,227		16,227	-			16,227	16,227	-
Unallocated	6,077,772	1,017,954				1,017,954			1,017,954	1,017,954	1,017,954
	12,670,511	12,670,511	4,925,569	2,027,872	6,953,441	5,717,070	-	-	12,670,511	12,670,511	5,717,070
2017-18 Capital Reserve 2014 Phase II/Bond											
HBT Roof	3,299,551	3,299,551	3,299,551		3,299,551	-			3,299,551	3,299,551	-
Robins Lane Roof	1,633,556	1,633,556	1,633,556		1,633,556	-			1,633,556	1,633,556	-
South Grove Corridor Addition	742,935	723,890	663,744	60,146	723,890	-	35,730		688,160	723,890	-
HS Site Work	9,245,792	9,149,504	8,999,910	149,594	9,149,504	-	5,087,999		4,061,505	9,149,504	-
HS Science Research Classroom	344,806	344,806	344,806		344,806	-	95,135	249,671		344,806	-
HS Fitness Center	4,888,118	5,010,618	3,932,563	744,674	4,677,237	333,381	4,838,275		172,343	5,010,618	333,381
Walt Whitman Upgrades	927,733	926,356	918,248	8,108	926,356	-	614,172		312,184	926,356	-
Baylis Parking	145,240	135,959	134,014	1,945	135,959	-	115,856		20,103	135,959	-
Berry Hill Parking	504,922	494,122	474,468	(60)	474,408	19,714	338,114		156,008	494,122	19,714
Bathrooms - Baylis	382,570	302,570	59,890	190,542	250,432	52,138	285,296		17,274	302,570	52,138
Bathrooms - Berry Hill	291,950	291,950	52,538	217,586	270,124	21,826	280,397		11,553	291,950	21,826
Bathrooms - Robins Lane	305,620	252,914	256,415	(3,501)	252,914	-	234,939		17,975	252,914	-
Bathrooms - South Grove	319,840	304,840	14,208	286,721	300,929	3,911	293,822		11,018	304,840	3,911
Bathrooms - SG Annex	135,610	135,610	34,522	82,031	116,553	19,057	128,913		6,697	135,610	19,057
Bathrooms - Village	265,650	244,274	240,391	3,883	244,274	-	232,712		11,562	244,274	-
Bathrooms - W Whitman	263,270	256,092	251,731	4,361	256,092	-	243,040		13,052	256,092	-
Bathrooms - AP Willits	323,930	310,430	17,281	275,222	292,503	17,927	297,743		12,687	310,430	17,927
Bathrooms - South Woods	255,510	227,510	63,773	129,441	193,214	34,296	203,781		23,729	227,510	34,296
Bathrooms - HBT	606,875	591,875	125,410	399,703	525,113	66,762	560,225		31,650	591,875	66,762
Bathrooms - High School	936,670	928,379	915,406	12,973	928,379	-	478,589		449,790	928,379	-
District Wide Fire Alarms - Phase II	1,428,000	1,438,800	1,229,418	201,223	1,430,641	8,159	1,438,800			1,438,800	8,159
HS Vestibule Project - Phase II	1,424,411	1,424,411	978,935	330,100	1,309,035	115,376	1,358,817		65,594	1,424,411	115,376

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

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

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

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

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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(1950 – 2013)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Syosset Central School District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 13, 2021. That report included a qualified opinion on the extraclassroom activities fund based on a scope limitation.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

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

Purpose of this Report

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

Cullen & Danowski, LLP

October 13, 2021