SEAFORD UNION FREE
SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

SEAFORD UNION FREE SCHOOL DISTRICT

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Accountants & Consultants for Over 75 years

Robert S. Abrams *(1926–2014)*

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Seaford Union Free School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Seaford Union Free School District (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension asset/(liability), the schedule of District's pension contributions, and schedule of changes in District's total other post-employment benefits liability on pages 1 through 15 and 57 through 61, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022, on our consideration of the 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 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 District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 6, 2022

SEAFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following is a discussion and analysis of the Seaford Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2022. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District closed the fiscal year ending June 30, 2022 with an unassigned fund balance in its general fund of $4,531,451. Of this amount, $1,574,287 represents the unassigned fund balance-reserve for tax reduction and the remaining $2,957,164 represents the District's remaining unassigned fund balance. This balance represents funds that are neither restricted nor assigned for subsequent year's taxes.

- On April 5, 2022, $2,685,000 in general obligation bonds with interest rates of 0.55%-3.25% were issued to refund $2,575,000 of 2014 outstanding bonds with interest rates of 3.00%-3.375%. The net proceeds of $2,613,340 after issuance costs were used to purchase U.S. government securities. The District refunded the bonds to realize cumulative dollar and present value debt service savings. A deferred outflow of $37,408 (economic loss of refunding) will be amortized over the life of the new issue.

- On May 17, 2022, voters approved a total budget of $77,396,951 for the fiscal ending June 30, 2023. This represents a 3.59% increase over the 2022 school fiscal year.

- The District implemented GASB Statement No. 87, *Leases,* in July of 2021. See Note 19 to the financial statements for additional information.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

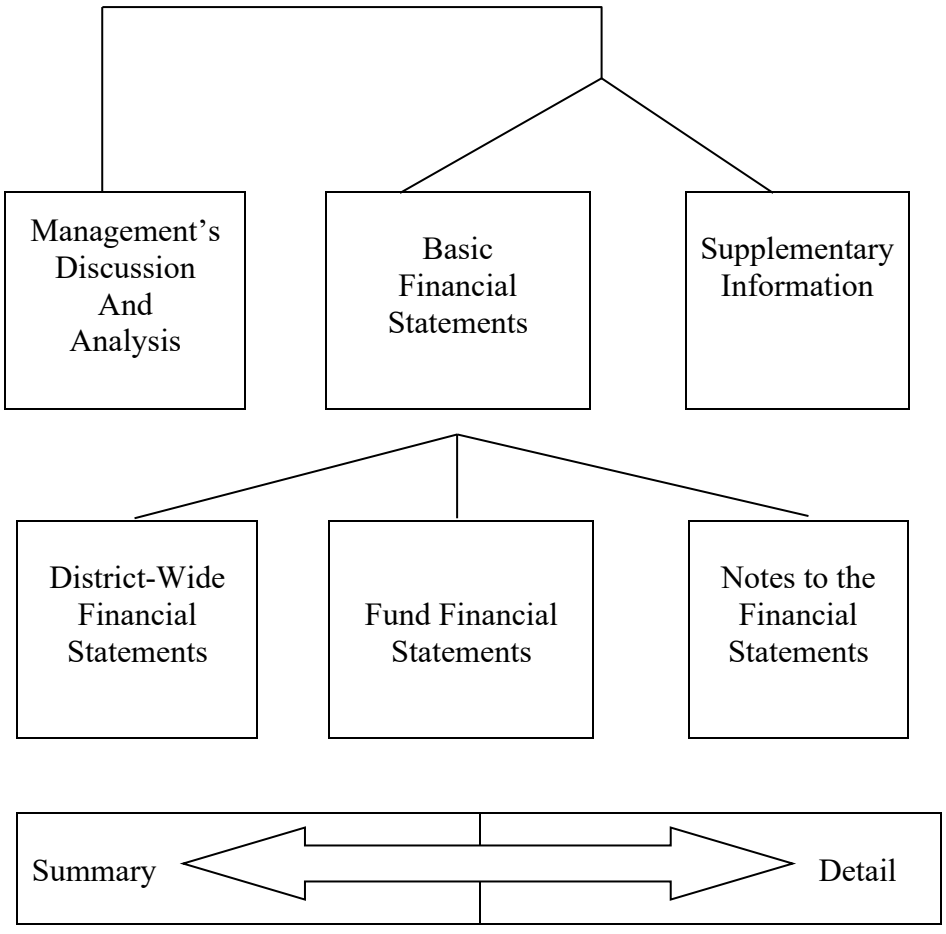
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

    - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

- *Fiduciary Fund Financial Statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of District.

The notes to the basic financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The following table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



The table below summarizes the major features of the District's basic financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

SEAFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/ liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets, intangible lease assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

SEAFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A) District-Wide Financial Statements:

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred inflows of resources, and liabilities and deferred outflows of resources, is one way to measure the financial health or position of the District.

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets and intangible lease assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation or amortization expense is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and intangible lease assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets and intangible lease assets;
- Report long-term debt as a liability;
- Depreciate capital assets and amortize intangible lease assets and allocate the depreciation and amortization to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  - *Net investment in capital assets*;
  - *Restricted net positions* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation.
  - *Unrestricted net position* is net position that does not meet any of the above restrictions.

B) Fund Financial Statements:

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds*: Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Statements, an additional schedule explains the relationship (or differences) between them. In summary, the government fund statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, capital projects fund and debt service fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

- *Fiduciary fund*: The District is the trustee or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements since it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments and flex spending plan contributions.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

Non-current assets and long-term liabilities for 2021 have been restated for the implementation of GASB Statement No. 87, *Leases.* See Footnote 19 for further information.

The following is a summary of these changes:

	As Restated 2021	As Reported 2021	Increase (Decrease)
Non-current assets	$ 26,167,728	$ 24,066,677	$ 2,101,051
Long-term liabilities	140,460,374	138,359,323	2,101,051

The District's total net deficit decreased by $13,896,336 during the fiscal year ended June 30, 2022, as detailed in the table below.

Condensed Statement of Net Position

	2022	As Restated 2021	Increase/ (Decrease)	Total Percentage Change
Current assets and other assets	$ 35,218,824	$ 29,766,112	$ 5,452,712	18.32%
Non-current assets	27,094,124	26,167,728	926,396	3.54%
Net pension asset, proportionate share	31,852,122	-	31,852,122	100.00%
Total Assets	94,165,070	55,933,840	38,231,230	68.35%
Deferred outflows of resources	22,420,863	21,990,337	430,526	1.96%
Total assets and deferred outflows of resources	116,585,933	77,924,177	38,661,756	49.61%
Other liablities	7,973,753	4,722,232	3,251,521	68.86%
Long-term liabilities	120,612,571	140,460,374	(19,847,803)	(14.13%)
Total Liabilities	128,586,324	145,182,606	(16,596,282)	(11.43%)
Deferred inflows of resources	63,364,516	22,002,814	41,361,702	187.98%
Total liabilities and deferred inflows of resources	191,950,840	167,185,420	24,765,420	14.81%
Net Position				
Net investment in capital assets	12,642,754	10,061,478	2,581,276	25.66%
Restricted	21,414,357	18,106,480	3,307,877	18.27%
Unrestricted (Deficit)	(109,422,018)	(117,429,201)	8,007,183	6.82%
Total Net Position (Deficit)	$ (75,364,907)	$ (89,261,243)	$ 13,896,336	15.57%

Current and other assets increased by $5,452,712 or 18.32% due to an increase in unrestricted and restricted cash balances offset by a decrease in due from other governments. Non-current assets increased by $926,396 or 3.54% due to additions exceeding total depreciation expense and loss on disposals and amortization expense. The net pension asset - proportionate share – teachers' retirement system and the net pension asset - proportionate share – employees' retirement system resulted in a net pension asset of $31,852,122 as a result of the actuarial valuation provided by the State. The changes in deferred outflows represent amortization of deferred charges on refunding and amortization of

pension related items as well as amortization related to the total other post-employment benefits obligation.

Other liabilities increased by $3,251,521 or 68.86% primarily due to an increase in accounts payable and accrued liabilities offset by a decrease in accrued interest payable.

Long-term liabilities decreased by $19,847,803 or 14.13% due to a decrease in net pension liabilities for teachers' retirement plan and employees' retirement plan and a decrease in total other post-employment benefits obligation. The changes in deferred inflows represent amortization of pension related items as well as amortization related to total other post-employment benefits obligation.

The net investment in capital assets, relates to the investment in capital assets and intangible lease assets at cost (and at the present value of future lease payments remaining on the lease team for intangible lease assets) such as land, construction in progress, buildings and improvements, and furniture & equipment, net of depreciation and amortization and related debt. The amount increased over the prior year by $2,581,276 or 25.66% primarily due to an increase in capital assets and current year principal payments on debt and amortization of premiums exceeding depreciation expense and amortization expense.

The restricted net position in the amount of $21,414,357 consists of the following reserves: employee benefit accrued liability, retirement contribution (employees' retirement and teachers' retirement systems), capital, workers' compensation, and repair, as well as amounts restricted for scholarships and donations and debt service. This amount increased $3,307,877 or 18.27% from the prior year.

The unrestricted deficit in the amount of $109,422,018 relates to the balance of the District's net position. This number does not include the District's reserves, which are classified as restricted net position. Additionally, in accordance with state guidelines, the District is only permitted to fund other post-employment benefits (OPEB) on a "pay as you go" basis and is not permitted to accumulate funds for the total OPEB obligation. The District's unrestricted net deficit decreased by $8,007,183 or 6.82% from the prior year.

Overall, the net deficit decreased by $13,896,336 from the prior year.

B) <u>Changes in Net Position</u>:

The results of operations are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows:

Change in Net Position from Operating Results - Governmental Activities Only

SEAFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	2022	2021	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for services	$ 1,659,430	$ 1,261,770	$ 397,660	31.52%
Operating grants and contributions	2,768,455	1,486,132	1,282,323	86.29%
Capital grants and contributions	2,109,030	751,272	1,357,758	180.73%
General Revenues				
Real property taxes & other tax items	56,674,647	56,094,011	580,636	1.04%
State sources	14,168,948	12,718,669	1,450,279	11.40%
Use of money & property	104,698	89,600	15,098	16.85%
Other	546,787	607,791	(61,004)	(10.04%)
Total Revenues	78,031,995	73,009,245	5,022,750	6.88%
Expenses				
General support	8,025,987	9,163,282	(1,137,295)	(12.41%)
Instruction	50,698,217	58,130,559	(7,432,342)	(12.79%)
Pupil transportation	4,014,079	3,633,713	380,366	10.47%
Community service	18,587	24,818	(6,231)	(25.11%)
Debt service - interest	449,669	494,622	(44,953)	(9.09%)
Food service program	929,120	443,226	485,894	109.63%
Total Expenses	64,135,659	71,890,220	(7,754,561)	(10.79%)
Increase (Decrease) in Net Position	$ 13,896,336	$ 1,119,025	$ 12,777,311	1141.83%

Information for 2021 was not restated because the information necessary was not readily available. The cumulative effect of applying the change in accounting principle is shown as an adjustment to the beginning net position. See Note 19 for more information.

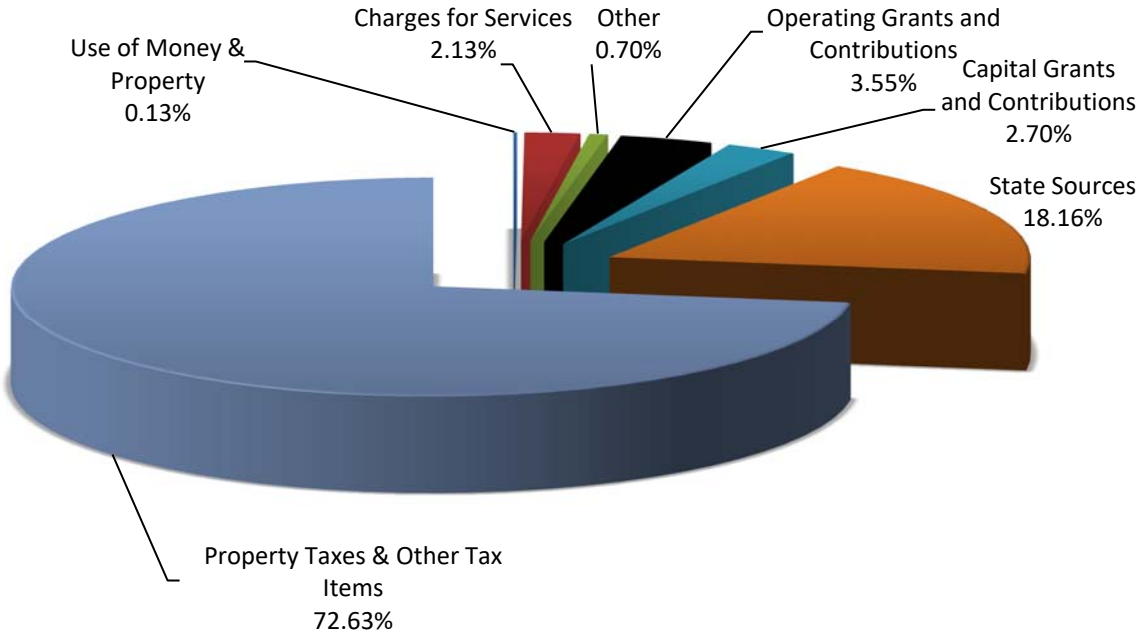
The District's fiscal year 2022 revenues totaled $78,031,995. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 72.63% and 18.16% respectively of total revenue. The remainder came from fees charged for services, operating grants and contributions, capital grants, use of money and property, and other miscellaneous sources.

The total cost of all programs and services totaled $64,135,659 for fiscal year ended June 30, 2022. These expenses are primarily related to instruction and general support, which account for 91.56% of District expenses.

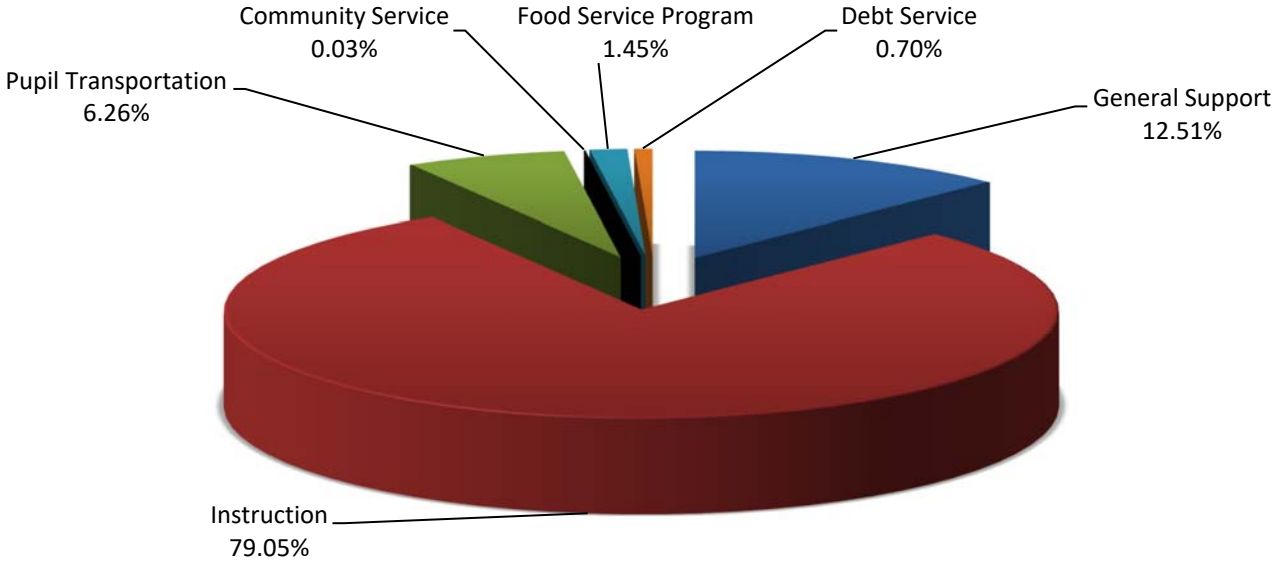
The users of the of the District's programs financed $1,659,430 of the cost. The federal and state governments subsidized certain programs with operating and capital grants. Donations for scholarships provided support for programs as contributions. Most of the District's net costs of $57,598,744 were financed by District taxpayers, and state sources.

SEAFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues for Fiscal Year Ended June 30, 2022:



Expenses for Fiscal Year Ended June 30, 2022:



C) Governmental Activities:

Revenues for the District's combined governmental activities totaled $78,031,995 while combined total expenses equaled $64,135,659 resulting in an increase in net position of $13,896,336 for 2022. The overall good financial condition of the District, as a whole, can be credited to:

- Continued leadership of the District's Board and administration;
- Improved curriculum and community support;
- Cost effective purchasing procedures;
- Comprehensive financial planning and diligent oversight of the operating budget;
- Participation in various consortiums;
- Strategic use of services from Nassau BOCES.

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-Wide Financial Statements. The District's governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets and intangible lease assts purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

As of June 30, 2022, the District's combined governmental funds reported a total fund balance of $27,438,407 which is an increase of $2,892,306 over the prior year.

SEAFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A summary of the change in fund balance for all funds is as follows:

	2022	2021	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted for employee benefit accrued liability	$ 4,214,280	$ 4,211,182	$ 3,098	0.07%
Restricted for retirement contribution				
Employees' retirement system	2,923,423	2,921,273	2,150	0.07%
Teachers' retirement system	2,004,177	1,503,071	501,106	33.34%
Restricted for capital	7,963,770	5,959,385	2,004,385	33.63%
Restricted for workers' compensation	2,026,664	2,025,174	1,490	0.07%
Restricted for repairs	1,836,701	1,035,939	800,762	77.30%
Assigned - designated for subsequent year's expenditures	850,000	847,574	2,426	0.29%
Assigned - general support	10,321	129,619	(119,298)	(92.04%)
Assigned - instruction	2,377	27,948	(25,571)	(91.49%)
Unassigned - reserve for tax reduction	1,574,287	2,127,029	(552,742)	(25.99%)
Unassigned - other	2,957,164	2,954,564	2,600	0.09%
Total Fund Balance - General Fund	26,363,164	23,742,758	2,620,406	11.04%
School Lunch Fund				
Nonspendable: inventory	11,265	9,955	1,310	13.16%
Assigned	274,424	60,656	213,768	352.43%
Total Fund Balance - School Lunch Fund	285,689	70,611	215,078	304.60%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	39,752	45,011	(5,259)	(11.68%)
Assigned unappropriated fund balance	154,814	92,412	62,402	67.53%
Total Fund Balance - Miscellaneous Special Revenue Fund	194,566	137,423	57,143	41.58%
Capital Projects Fund				
Restricted - Unspent energy performance debt proceeds	10,200	10,200	-	0.00%
Assigned	179,198	179,664	(466)	(0.26%)
Total Fund Balance - Capital Projects Fund	189,398	189,864	(466)	(0.25%)
Debt Service Fund				
Restricted for debt service	405,590	405,445	145	0.04%
Total Fund Balance - Debt Service Fund	405,590	405,445	145	0.04%
Total Fund Balance - All Funds	$ 27,438,407	$ 24,546,101	$ 2,892,306	11.78%

The District can attribute changes to fund balances and reserves primarily due to operating results, use of restricted fund balances to support appropriations, Board approved transfers, and allocation of interest and earnings.

A) General Fund

The net change in fund balance in the general fund is an increase of $2,620,406 as a result of revenues and other financing sources of $73,608,601 exceeding expenditures and other financing uses of $70,988,195. Revenues and other financing sources increased $2,013,467 or 2.81% compared to the prior year, due to the increases in real property taxes, charges for services, use of money and property, state sources offset by decreases in other tax items and federal sources.

Expenditures and other uses increased $2,763,865 or 4.05% compared to the prior year. This was primarily due to increases in instruction, pupil transportation, employee benefits, and debt service interest offset by decreases in general support and community services.

B) School Lunch Fund

The fund balance in the school lunch fund increased by $215,078. This is attributable to greater state and federal reimbursements exceeding the cost of distributing free meals to all students of the District.

C) Miscellaneous Special Revenue Fund

The net change in fund balance in the miscellaneous special revenue fund is due to extraclassroom revenue exceeding expenditures offset by scholarship expenditures exceeding revenue.

D) Capital Projects Fund

The fund balance in the capital projects fund decreased by $466. This decrease was due to expenditures exceeding state sources, federal sources, and other financing sources. The District had $2,959,496 in capital outlay offset by $1,224,274 in federal sources, $884,756 in state sources, and $850,000 from general fund budgetary transfers to the capital projects fund.

D) Debt Service Fund

The net change in fund balance in the debt service fund of $145 represents interest earnings for the year.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2021-22 Budget:

The District's general fund budget for the year ended June 30, 2022 was $74,717,812. This amount was increased by encumbrances carried forward from the prior year in the amount of $157,567 and budget revisions of $81,400 which resulted in a final budget of $74,956,779. The majority of the funding was real property taxes and other real property tax items of $56,546,869.

B) Change in the General Fund Unassigned Fund Balance (Budget to Actual):

The general fund's unassigned fund balance is a component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent years' budgets. It is this balance that is commonly referred to as "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

Opening Unassigned Fund Balance- Other	$	2,954,564
Revenues and Other Financing Sources Over Budget		256,963
Expenditures and Other Financing Uses and Encumbrances Under Budget		3,955,886
Transfers to Reserves		(3,300,000)
Interest Allocated to Reserves		(60,249)
Appropriated for June 30, 2023 Budget		(850,000)
Closing, Unassigned Fund Balance- Other	$	2,957,164

The opening unassigned fund balance - other of $2,954,564 is the June 30, 2021, unassigned fund balance.

The revenues and other financing sources over budget of $256,963 was primarily related to the District receiving FEMA aid and increased miscellaneous and real property tax items. See Supplemental Schedule #1 for further detail.

The expenditures and other financing uses and encumbrances under budget of $3,995,886 were primarily caused by a reduction in use for central services, teaching-regular school, programs for children with handicapping conditions, instructional media, and employee benefits.

The transfers to reserves of $3,300,000 consists of funding the retirement contribution reserve in the amount of $500,000; funding the capital reserve in the amount of $2,000,000; and funding the repair reserve in the amount of $800,000.

Interest earnings of $60,249 were allocated to the reserves. Interest was allocated to the following reserves as follows $762 to the repair reserve, $1,490 to the workers' compensation reserve, $3,098 to the employee benefit accrued liability reserve, $2,149 to the employee retirement reserve, $1,106 to the teachers' retirement reserve, and $4,385 to the capital reserve. The District allocated $47,259 to the reserve for tax reduction.

The appropriated fund balance for June 30, 2023, budget of $850,000 represents the amount the District has assigned to partially fund its 2022-23 budget.

The closing unassigned fund balance – other, represents the fund balance that is retained by the District that is neither restricted nor assigned for subsequent year's taxes. The unassigned balance of $2,957,164 is within the 4% of the 2022-2023 school year budget as required by Section 1318 of Real Property Tax Law.

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION

A) Capital Assets and Intangible Lease Assets:

The District paid for equipment and various building additions and renovations during the fiscal year 2022. A summary of the District's capital assets, net and intangible lease assets, net of depreciation and amortization are as follows:

Capital Assets and Intangible Lease Assets (Net of Accumulated Depreciation and Amortization)

Category	Fiscal Year 2022	As Restated Fiscal Year 2021	Net Increase/ (Decrease)	Percentage Change
Land	$ 1,517,000	$ 1,517,000	$ -	0.00%
Construction in Progress	2,959,497	1,107,802	1,851,695	167.15%
Buildings & Building Improvements	47,134,627	46,026,825	1,107,802	2.41%
Land Improvements	3,702,223	3,702,223	-	0.00%
Furniture & Equipment	7,363,903	6,417,817	946,086	14.74%
Vehicles	199,978	199,978	-	0.00%
Subtotal	62,877,228	58,971,645	3,905,583	6.62%
Less: Accumulated Depreciation	37,270,228	34,904,968	2,365,260	6.78%
Total Capital Assets, Net	$25,607,000	$24,066,677	$1,540,323	6.40%
Intangible Lease Assets, Net	$1,487,124	$2,101,051	($613,927)	(29.22%)

Depreciation expense and loss on disposal was $2,380,142 and amortization expense was $613,927 for fiscal year ended June 30, 2022. See Note 8 to the financial statements for additional information.

B) Long-Term Debt:

At June 30, 2022, the District had total bonds payable of $12,769,159. During the fiscal year 2022 the District reduced existing debt by refunding of $2,575,000 of outstanding bonds, in addition to current year principal payments of $920,000. The District also had other long-term debt outstanding as of June 30, 2022, of $1,583,660 related to a lease liability and $559,402 related to energy performance debt payable. The District reduced the lease liability and energy performance debt payable with principal payments of $517,391 and $264,091, respectively.

A summary of outstanding debt at June 30, 2022 and 2021is as follows:

	2022	As Restated 2021	Increase/ Decrease
Serial bonds payable	$ 12,769,159	$ 13,653,766	(884,607)
Lease liability	1,583,660	2,101,051	(517,391)
Energy performance debt payable	559,402	823,493	(264,091)
Total	$ 14,912,221	$ 16,578,310	($1,666,089)

Refer to Note 11 disclosure for further detail on the District's long-term debt obligations.

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A) The general fund budget for the 2022-2023 school year in the amount of $77,396,951 was approved by the voters. This is an increase of $2,679,139 or 3.59% over the previous year's budget. The tax cap discussed below, as well as uncertainty in state aid and federal funds, as well as potential operating adjustments as a result of the impact of COVID-19 on the District's future budgets.

B) The District issued a tax anticipation note in the amount of $5,000,000 on September 14, 2022 with a maturity date of June 28, 2023.

C) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District's ability to fund its current cost of services.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Seaford Union Free School District
Ms. Rhonda L. Meserole, CPA
Assistant Superintendent for Business and Operations
1600 Washington Avenue
Seaford, New York11783
(516) 592-4004

SEAFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
Current assets	
Cash	
Unrestricted	$ 8,627,060
Restricted	21,424,495
Receivables	
State and federal aid	2,927,719
Due from other governments	1,195,158
Taxes receivable	1,004,258
Accounts receivable	28,869
Inventories	11,265
Non-current assets	
Capital assets	
Not being depreciated	4,476,497
Being depreciated, net of accumulated depreciation	21,130,503
Net pension asset proportionate share - teachers' retirment system	30,025,692
Net Pension asset proportionate share - employees' retirement system	1,826,430
Intangible lease asset, net of accumulated amortization	1,487,124
TOTAL ASSETS	94,165,070
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	21,365,797
Deferred charges on refunding	450,651
Other post-employment benefits obligation	604,415
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,420,863
LIABILITIES	
Payables	
Accounts payable	$ 3,566,270
Accrued liabilities	516,301
Accrued interest payable	193,336
Due to other governments	111
Student deposits	21,820
Compensated absences payable	100,921
Due to teachers' retirement system	3,288,442
Due to employees' retirement system	188,422
Unearned credits	
Collections in advance	98,130
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of unamortized premium)	1,069,607
Lease liability	500,345
Energy performance debt payable	274,364
Compensated absences payable	212,495
Claims payable	174,675
Due and payable after one year	
Bonds payable (inclusive of unamortized premium)	11,699,552
Lease liability	1,083,315
Energy performance debt payable	285,038
Compensated absences payable	5,208,521
Claims payable	1,685,619
Total other post-employment benefits obligation	98,419,040
TOTAL LIABILITIES	128,586,324
DEFERRED INFLOWS OF RESOURCES	
Pensions	40,267,082
Total other post-employment benefits obligation	23,097,434
TOTAL DEFERRED INFLOWS OF RESOURCES	63,364,516
NET POSITION	
Net investment in capital assets	12,642,754
Restricted	
Employee benefit accrued liability	4,214,280
Retirement contribution - employees' retirement system	2,923,423
Retirement contribution - teachers' retirement system	2,004,177
Capital	7,963,770
Workers' compensation	2,026,664
Repairs	1,836,701
Scholarships and donations	39,752
Debt service	405,590
	21,414,357
Unrestricted (Deficit)	(109,422,018)
TOTAL NET POSITION (DEFICIT)	$ (75,364,907)

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS / PROGRAMS					
General support	$ (8,025,987)	$ -	$ -	$ -	$ (8,025,987)
Instruction	(50,698,217)	1,426,522	1,706,098	2,109,030	(45,456,567)
Pupil transportation	(4,014,079)		72,752		(3,941,327)
Community services	(18,587)				(18,587)
Debt service- interest	(449,669)				(449,669)
Food service program	(929,120)	232,908	989,605		293,393
TOTAL FUNCTIONS AND PROGRAMS	$ (64,135,659)	$ 1,659,430	$ 2,768,455	$ 2,109,030	(57,598,744)
GENERAL REVENUES					
Real property taxes					50,689,800
Other tax items - including STAR reimbursement					5,984,847
Use of money & property					104,698
Miscellaneous					468,715
State sources					14,168,948
Medicaid reimbursement					78,072
TOTAL GENERAL REVENUES					71,495,080
CHANGE IN NET POSITION					13,896,336
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 19)					(89,261,243)
TOTAL NET POSITION - END OF YEAR					$ (75,364,907)

SEAFORD UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 6,757,756	$ 592,188	$ 254,445	$ 167,624	$ 855,047	$ -	$ 8,627,060
Restricted	20,969,015			39,752	10,200	405,528	21,424,495
Receivables							
State and federal aid	534,612	1,197,336	187,200		1,008,571		2,927,719
Taxes receivable	1,004,258						1,004,258
Accounts receivable	28,869						28,869
Due from other governments	1,195,158						1,195,158
Due from other funds	1,554,989	149,417	50,376	2,150	311,734	62	2,068,728
Inventory			11,265				11,265
TOTAL ASSETS	$ 32,044,657	$ 1,938,941	$ 503,286	209,526	$ 2,185,552	$ 405,590	$ 37,287,552
LIABILITIES							
Payables							
Accounts payable	$ 1,368,152	$ 262,522	$ 72,709	$ 280	$ 1,862,607	$ -	$ 3,566,270
Accrued liabilities	513,530	2,771					516,301
Due to other governments			111				111
Due to other funds	209,660	1,647,355	77,310	856	133,547		2,068,728
Due to teachers' retirement system	3,288,442						3,288,442
Due to employees' retirement system	188,422						188,422
Compensated absences	100,921						100,921
Student deposits	7,996			13,824			21,820
Unearned credits							
Collections in advance	4,370	26,293	67,467				98,130
TOTAL LIABILITIES	5,681,493	1,938,941	217,597	14,960	1,996,154	-	9,849,145
FUND BALANCES							
Nonspendable: Inventory			11,265				11,265
Restricted							
Employee benefit accrued liability	4,214,280						4,214,280
Retirement contribution							
Employees' retirement system	2,923,423						2,923,423
Teachers' retirement system	2,004,177						2,004,177
Capital	7,963,770						7,963,770
Workers' compensation	2,026,664						2,026,664
Repairs	1,836,701						1,836,701
Scholarships and donations				39,752			39,752
Debt service						405,590	405,590
Unspent energy performance debt proceeds					10,200		10,200
Assigned							
Appropriated fund balance	850,000						850,000
Unappropriated fund balance	12,698		274,424	154,814	179,198		621,134
Unassigned:							
Unassigned for tax reduction	1,574,287						1,574,287
Other	2,957,164						2,957,164
TOTAL FUND BALANCES	26,363,164	-	285,689	194,566	189,398	405,590	27,438,407
TOTAL LIABILITIES AND FUND BALANCES	$ 32,044,657	$ 1,938,941	$ 503,286	$ 209,526	$ 2,185,552	$ 405,590	$ 37,287,552

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2022

Total Governmental Fund Balances		$ 27,438,407
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings, equipment) 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 include 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	$ 62,877,228	
Accumulated depreciation	(37,270,228)	25,607,000
The present value cost of leasing assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those leased assets among the assets of the District as a whole, and their orginal present value costs are amortized annually over the shorter of their useful lives or the length of the lease agreements.		
Cost of intangible lease assets	$ 2,101,051	
Accumulated amortization	(613,927)	1,487,124
Net Pension asset related to NYSTRS ($30,025,692) and NYSERS ($1,826,430) does not appear on the funds balance sheet as it represents a long-term asset.		31,852,122
Deferred inflows of resources - The Statement of Net Position recognized revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.		
Deferred inflows related to pensions	$ (40,267,082)	
Deferred inflows related to total OPEB liability	(23,097,434)	(63,364,516)
Deferred amounts on refunding- The Statement of Net Position will amortize the deferred charges over the life of the bond. Governmentmal funds record the deferred charges as an expenditure.		450,651
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows that will be recognized as expenditures in future periods amounted to		
Deferred outflows related to pensions	$ 21,365,797	
Deferred outflows related to total OPEB liability	604,415	21,970,212
Payables that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to accrued interest payable at year end consisted of:		(193,336)
Long-term liabilities are not due and payable in the current period and therefore not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
Bonds payable (inclusive of unamortized premium)	$ (12,769,159)	
Lease liability	(1,583,660)	
Energy performance debt payable	(559,402)	
Compensated absences payable	(5,421,016)	
Claims payable	(1,860,294)	
Total other post-employment benefits obligation	(98,419,040)	(120,612,571)
Total Net Position		$ (75,364,907)

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	$ 50,689,800	$ -	$ -	$ -	$ -	$ -	$ 50,689,800
Other tax items - including STAR reimbursement	5,984,847						5,984,847
Charges for services	1,174,765			$ 251,757			1,426,522
Use of money and property	104,553					145	104,698
Miscellaneous	403,200			21,515			424,715
State sources	14,920,220	361,817	13,976		884,756		16,180,769
Federal sources	210,027	1,285,078	920,876		1,224,274		3,640,255
Surplus food			54,753				54,753
Sales - school lunch			232,908				232,908
TOTAL REVENUES	73,487,412	1,646,895	1,222,513	273,272	2,109,030	145	78,739,267
EXPENDITURES							
General support	$ 6,383,358	$ -	$ -	$ -	$ -	$ -	$ 6,383,358
Instruction	41,894,277	1,633,373		216,129			43,743,779
Pupil transportation	3,912,055	72,753					3,984,808
Community service	15,794						15,794
Employee benefits	15,633,611						15,633,611
Cost of sales			933,743				933,743
Capital outlay					2,959,496		2,959,496
Debt service- principal	517,391					1,184,091	1,701,482
Debt service - interest	81,287					453,603	534,890
TOTAL EXPENDITURES	68,437,773	1,706,126	933,743	216,129	2,959,496	1,637,694	75,890,961
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,049,639	(59,231)	288,770	57,143	(850,466)	(1,637,549)	2,848,306
OTHER FINANCING SOURCES AND (USES)							
Proceeds from refunded bonds issued						(2,685,000)	(2,685,000)
Payments to escrow agent (advanced refunding)						2,613,340	2,613,340
Bond issuance costs						71,660	71,660
Premium on obligations	44,000						44,000
Operating transfers in	77,189	59,231	3,497		850,000	1,637,694	2,627,611
Operating transfers out	(2,550,422)		(77,189)				(2,627,611)
TOTAL OTHER FINANCING SOURCES AND (USES)	(2,429,233)	59,231	(73,692)	-	850,000	1,637,694	44,000
NET CHANGE IN FUND BALANCES	2,620,406	-	215,078	57,143	(466)	145	2,892,306
FUND BALANCES - BEGINNING OF YEAR	23,742,758	-	70,611	137,423	189,864	405,445	24,546,101
FUND BALANCES - END OF YEAR	$ 26,363,164	$ -	$ 285,689	$ 194,566	$ 189,398	$ 405,590	$ 27,438,407

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances		$ 2,892,306
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the year ended June 30, 2022 changed by		125,698
Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the year ended June 30, 2022 is		(751,272)
Claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when is due. Claims payable for the year ended June 30, 2022 changed by		(56,382)
Changes in the proportionate share of net pension liability, and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' retirement system	$ 4,714,321	
Employees' retirement system	774,506	
Other post-employment benefits	3,555,721	9,044,548
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.		
Capital outlays	$ 3,920,465	
Depreciation expense and loss on disposal	(2,380,142)	1,540,323
Capital outlays related to leasing 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 amortization expense in the Statement of Activities.		
Intangible lease capital outlays	$ -	
Amortization expense	(613,927)	(613,927)
Long-Term Debt Differences		
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		920,000
Repayment of energy performance debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		264,091
Repayment of lease liability principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		517,391
Governmental funds may report the premiums, discounts, and similar items on refunded bonds as expenditures. These amounts are deferred and amortized in the Statement of Activities.		25,058
Issuance costs of refunding paid from proceeds and not requiring current resources		(71,660)
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues regardless of when it is due.		60,162
Change in Net Position		$ 13,896,336

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
JUNE 30, 2022

	Custodial
ASSETS	
Cash and cash equivalents- restricted	$ 127,565
TOTAL ASSETS	$ 127,565
LIABILITIES	
Payroll flexible spending plan	$ 127,565
TOTAL LIABILITIES	$ 127,565
TOTAL LIABILITIES AND NET POSITION	$ 127,565

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Custodial
ADDITIONS	
Real property taxes collected for Library	$ 2,185,366
Flexible spending plan contributions	73,795
TOTAL ADDITIONS	$ 2,259,161
DEDUCTIONS	
Real property taxes disbursed to Library	$ 2,185,366
Flexible spending plan reimbursements	73,795
TOTAL DEDUCTIONS	$ 2,259,161
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	$ -

See Accompanying Notes to Financial Statements

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Seaford Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

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 five 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 reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. 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 Nassau Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES is organized under §1950 of the New York State 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 New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§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 New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative, program, and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component 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 financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants and contributions, while the capital grants column reflects capital specific grants, if applicable.

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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, 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 category (governmental and fiduciary) are presented. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This fund is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Fund: This fund accounts 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 either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are extraclassroom activities.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those 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. The District's fiduciary fund includes the custodial fund, where assets and liabilities are held by the District as a custodian.

D) Measurement focus and basis of accounting:

The District-Wide Financial Statements 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. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from 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.

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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, compensated absences, claims payable, and other post-employment benefits obligation, 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 of leases with terms greater than one year are reported as other financing sources.

E) Real property taxes:

Calendar:
Real property taxes are levied annually by the Board no later than August 15 and become a lien on October 1 and April 1. Taxes are collected by the Town of Hempstead during the period of October 1 through November 10, and April 1 through May 10 without penalty.

Enforcement:
Uncollected real property taxes are subsequently enforced by Nassau County (the "County") in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than July.

F) Restricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

G) 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 flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the District-Wide Financial 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 fund.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be 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.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) 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 and deferred outflows, liabilities and deferred inflows, disclosure of contingent items at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other post-employment benefits, potential contingent liabilities, net pension asset/liability, lease liability, useful lives of capital assets, and intangible lease assets.

I) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits.

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

J) Receivables:

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Prepaid items and inventories:

Inventories of food in the school lunch fund are 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 stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenses/expenditures at the time of purchase, and are considered immaterial in amount.

A nonspendable fund balance for these non-liquid assets (inventories) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District had no prepaid items at June 30, 2022.

L) 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 time received.

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), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building & Building Improvements	$ 500	Straight-line	30 years
Furniture & Equipment	$ 500	Straight-line	10 years
Site Improvements	$ 500	Straight-line	30 years
Vehicles	$ 500	Straight-line	5 years

M) Intangible lease assets:

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District’s estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

N) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance consist of amounts received in advance for summer activities in the general fund, grants in the special aid fund, and prepaid student meals and food supply chain assistance in the school lunch fund.

O) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first is the unamortized dollar amount of deferred charges from the refunding of bonds that is being amortized as a component of interest expense on a straight-line basis over the remaining life of the debt. The other items are related to pensions and the other post-employment benefits liability reported in the District-Wide Statement of Net Position, which are detailed further in Notes 12, 13 and 15.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These items are related to pensions and other post-employment benefits liability reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15.

P) Vested employee benefits:

Compensated absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability 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, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

Q) Other benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these 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 expenditures in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

R) Short-term debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN) in anticipation of the receipt of revenues. These notes are recorded as liabilities of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent liabilities that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient, or no, provision made in the annual budget. The budget note must be repaid no later than the close of second fiscal year succeeding the year in which the note was issued.

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 dated.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences, lease liability, claims payable, net pension liability, and other post-employment benefit obligations that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds, energy performance contract debt, and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

T) Equity classifications:

i) District-Wide Financial Statements:

In the District-Wide Financial Statements there are three classes of net assets:

Net investment in capital assets - consists of net capital assets and intangible lease assets (cost less accumulated depreciation or accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets, net of any unexpended proceeds and including any unamortized items (discounts, premiums, deferred charges).

Restricted net position - reports net position when constraints placed on the assets 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 net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

ii) Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

(1) **Non-spendable fund balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund of $11,265.

(2) **Restricted fund balance** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has classified the following as restricted:

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML§6-p), must be used for the payment of accrued employee benefit 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. This reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement contribution reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a sub fund of this reserve was created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by budgetary appropriations and such other funds may be legally appropriated. The Teachers' Retirement System sub fund is subject to contribution limits. This reserve is accounted for in the general fund.

Capital Reserve

Capital reserve (GML §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. Expenditures 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. This reserve is accounted for in the general fund.

Workers' Compensation Reserve

Workers' compensation reserve (GML§6-m), must be 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 appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund.

Repair Reserve

Repair 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. This reserve is accounted for in the general fund.

Scholarships and Donations

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

Debt Service

Unexpended balances of proceeds from borrowings for capital projects; interest and earnings from investing proceeds of obligations, and premium and accrued interest are recorded as amounts restricted for debt service and held until appropriated for debt payments. The restricted funds are accounted for in the debt service fund.

Unspent Energy Performance Debt Proceeds

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

(3) **Committed fund balance** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e., Board). The District has no committed fund balances as of June 30, 2022.

(4) **Assigned fund balance** – Includes 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 includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance includes Board designations and encumbrances not classified as restricted or committed at the end of the fiscal year.

(5) **Unassigned fund balance** –Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

The tax reduction reserve (Ed. Law§1604-36 §1709-37) is used to allow for the gradual use of proceeds from the sale of district real property. The Board of Education may establish a tax reduction reserve by a Board of Education resolution. Expenditures from this reserve are to be appropriated annual over ten or fewer years to offset the tax levy.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. A nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, the reserve for tax reduction and encumbrances included in the assigned fund balance are excluded from the 4% limitation.

Fund Balance Classification

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

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

Order of Use of Fund Balance

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

U) New accounting pronouncements:

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended June 30, 2022. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has adopted and implemented GASB Statement No. 87, *Leases*, in 2022. See Note 19 for further consideration.

V) Future changes in accounting standards:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, defines a subscription-based technology arrangement as a contract that conveys control of the right to use a vendor's software, alone or in combination with tangible capital assets requiring governments to recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this Statement are effective for periods beginning after June 15, 2022.

This is the statement that the District feels may have an impact on these financial statements and are not an all-inclusive list of GASB statements issued. The District will evaluate the impact this pronouncement may have on its financial statements and will implement them as applicable and when material.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial Statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

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. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of the three broad categories. The amounts shown below represent:

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 modified accruals basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital related differences:

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

Long-term debt differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the Seaford School District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. 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 are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). 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. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #5.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the dollar amount of encumbrances carried forward.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. 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 assigned fund balance 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.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States 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 the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

Restricted Cash and Cash Equivalents:

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2022 included $21,424,495 within the governmental funds for general reserves, debt service, capital projects, and scholarships and donations purposes and $127,565 within the custodial fund.

B) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2022, the District was billed $6,698,970 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,900,257. Financial statements for the BOCES are available from the Nassau BOCES administrative office at 71 Clinton Road, Garden City, NY 11530-9195.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2022 consisted of:

General Fund		
State sources - excess cost aid	$	309,842
State sources - general aid		171,067
Federal sources - CARES act		53,703
Total		534,612
Special Aid Fund		
Federal aid		1,035,691
State aid		161,645
Total		1,197,336
School Lunch Fund		
Federal aid		183,148
State aid		4,052
Total		187,200
Capital Projects Fund		
Federal aid		1,008,571
Total		1,008,571
Total - All funds	$	2,927,719

District management has deemed the amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2022 consisted of the following:

General Fund		
Tuition and health services	$	339,990
BOCES aid		855,968
Total general fund	$	1,195,958

District management has deemed the amounts to be fully collectible.

NOTE 8 – CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets:

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,517,000	$ -	$ -	$ 1,517,000
Construction in progress	1,107,802	2,959,497	(1,107,802)	2,959,497
Total capital assets not being depreciated	2,624,802	2,959,497	(1,107,802)	4,476,497
Capital assets being depreciated:				
Building & building improvements	46,026,825	-	1,107,802	47,134,627
Land improvements	3,702,223	-	-	3,702,223
Furniture and equipment	6,417,817	960,968	(14,882)	7,363,903
Vehicles	199,978	-	-	199,978
Total capital assets being depreciated	56,346,843	960,968	1,092,920	58,400,731
Less accumulated depreciation:				
Building & building improvements	28,572,146	1,419,486	(1,070)	29,990,562
Land improvements	2,256,599	139,678	-	2,396,277
Furniture and equipment	3,925,579	796,906	(7,780)	4,714,705
Vehicles	150,644	18,040	-	168,684
Total accumulated depreciation	34,904,968	2,374,110	(8,850)	37,270,228
Total capital assets being depreciated, net	21,441,875	(1,413,142)	1,101,770	21,130,503
Capital assets, net	$ 24,066,677	$ 1,546,355	$ (6,032)	$ 25,607,000

Depreciation expense and loss on disposals were charged to governmental functions as follows:

General support	$ 1,619,819
Instruction	760,323
Total depreciation expense	$ 2,380,142

B) Intangible Lease Assets:

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture & equipment	$ 2,101,051	$ -	$ -	$ 2,101,051
Total intangible lease assets being amortized	2,101,051	-	-	2,101,051
Less accumulated amortization:				
Furniture & equipment	-	613,927	-	613,927
Total accumulated amortization	-	613,927	-	613,927
Total intangible lease assets, net	$ 2,101,051	$ (613,927)	$ -	$ 1,487,124

Amortization expense of $613,927 was charged to the governmental functions as instruction.

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General fund	$ 1,554,989	$ 209,660	$ 77,189	$ 2,550,422
Special aid fund	149,417	1,647,355	59,231	-
School lunch fund	50,376	77,310	3,497	77,189
Miscellaneous special revenue fund	2,150	856	-	-
Capital projects fund	311,734	133,547	850,000	-
Debt service fund	62	-	1,637,694	-
Totals	$ 2,068,728	$ 2,068,728	$ 2,627,611	$ 2,627,611

The District transferred from the general fund to the special aid fund to fund the District's share of summer program for students with disabilities and the state supported Section 4201 schools.

The District transferred funds from the general fund to the school lunch fund to cover negative student lunch account balances. The District transferred from the school lunch fund to the general fund for various utility expenditures and employee salaries utilized and paid by school lunch operations.

The District transferred from the general fund to the capital projects fund to fund capital projects.

The District transferred from the general fund to the debt service fund for annual debt service obligations.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

NOTE 10 – SHORT-TERM DEBT:

Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	6/23/2022	1.25%	$ -	$ 5,000,000	$ (5,000,000)	$ -

On October 7, 2021, the District issued a tax anticipation note (TAN) for $5,000,000 that matured on June 23, 2022, with a net interest rate of 1.50%. This debt was issued for the purpose of providing cash flow to the general fund in anticipation of revenues from property taxes.

Net interest cost was $9,333 which consisted of interest expense of $53,333 offset by the premium of $44,000.

NOTE 11 – LONG-TERM LIABILITIES:

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Long-term debt:					
Bonds payable	$ 12,945,000	$ 2,685,000	$ (3,495,000)	$ 12,135,000	$ 995,000
Add: premium on obligation	708,766	-	(74,607)	634,159	74,607
Total bonds payable	13,653,766	2,685,000	(3,569,607)	12,769,159	1,069,607
Other long-term liabilities:					
Lease liability*	2,101,051		(517,391)	1,583,660	500,345
Energy performance debt payable	823,493	-	(264,091)	559,402	274,364
Compensated absences payable	5,546,714	-	(125,698)	5,421,016	212,495
Claims payable	1,803,912	103,367	(46,985)	1,860,294	174,675
Total other post-employment benefits obligation	111,764,134	-	(13,345,094)	98,419,040	-
Net pension liability - proportionate share					
Employees' retirement system	19,874	-	(19,874)	-	-
Teachers' retirement system	4,747,430	-	(4,747,430)	-	-
Total other long-term liabilities	126,806,608	103,367	(19,066,563)	107,843,412	1,161,879
Total long-term liabilities	$ 140,460,374	$ 2,788,367	$ (22,636,170)	$ 120,612,571	$ 2,231,486

*Beginning balance as restated. See Note 19 for further details.

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, lease liability, energy performance debt payable, compensated absences payable, claims payable, and total other post-employment benefits obligation.

A) Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
Serial Bonds - Refunded	10/4/2017	7/1/2035	2.00 - 5.00%	$ 9,450,000
Serial Bonds - Refunded	4/5/2022	7/1/2034	.55-3.25%	2,685,000
				$ 12,135,000

On April 5, 2022, $2,685,000 in general obligation bonds with interest rates of 0.55%-3.25% were issued to refund $2,575,000 of 2014 outstanding bonds with interest rates of 3.00%-3.375%. The net proceeds of $2,613,340 after issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2014 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The 2014 bonds are callable on July 1, 2022. The District refunded the bonds to realize cumulative dollar and present value debt service savings. A deferred outflow of $37,408 (economic loss of refunding) will be amortized over the life of the new issue.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 995,000	$ 333,559	$ 1,328,559
2024	1,015,000	302,892	1,317,892
2025	1,060,000	259,662	1,319,662
2026	1,105,000	213,902	1,318,902
2027	1,145,000	175,250	1,320,250
2028-2032	6,085,000	489,759	6,574,759
2033-2035	730,000	34,333	764,333
	$ 12,135,000	$ 1,809,357	$ 13,944,357

Upon default of the payment of principal or interest on the serial bond holders of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the serial bonds.

B) Lease Liability

In 2022, the District adopted and implemented the provisions of GASB Statement No. 87, *Leases*. As such, the District recognized a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various copiers and other equipment items with interest rates ranging from 1.20% to 2.00%.

Principal and interest expense paid on the District's lease liability amounted to $517,391 and $27,954, respectively, for the fiscal year ended June 30, 2022.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	$ 500,345	$ 34,352	$ 534,697
2024	504,305	17,631	$ 521,936
2025	380,476	9,169	$ 389,645
2026	198,534	2,902	$ 201,436
	$ 1,583,660	$ 64,054	$ 1,647,714

C) Energy Performance Debt Payable

Energy performance debt is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
Energy Performance Debt	4/11/2008	7/1/2023	3.89%	$ 559,402

The following is a summary of debt service requirements for energy performance debt:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 274,364	$ 21,761	$ 296,125
2024	285,038	11,088	296,126
	$ 559,402	$ 32,849	$ 592,251

D) Long-Term Interest

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

	Total
Interest paid	$ 481,558
Less interest accrued in the prior year	(253,493)
Plus interest accrued in the current year	193,336
Less amortization of premium	(74,607)
Plus amortization of deferred amounts on refunding	49,542
Total expense	$ 396,336

E) Bond Premium

Premiums on bonds, net of amortization, are reported as a component of the related long-term liability, and amounted to $634,159 at June 30, 2022. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization is recorded as a reduction in interest expense on the District-Wide Statement of Activities.

NOTE 12 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED CHARGES

The deferred charges pertaining to the 2011 bond refunded in 2017 and the 2014 bond refunded in 2022, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2022 consisted of the following:

	2011 Bond	2014 Bond	Total
Deferred charges	$ 632,019	$ 38,340	$ 670,359
Accumulated amortization	(218,776)	(932)	(219,708)
Balance of Deferred charges	$ 413,243	$ 37,408	$ 450,651

The deferred charges on the refunding are amortized on the District-Wide Financial Statements using the straight-line method over 12 years for the 2011 bond and over 12 years for the 2014 bond refunded, which is the time to maturity of the refunded bonds, at the point of refunding, and is recorded as a component of interest expense.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. 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 TRS. Once a public employer elects to participate in the System, 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple–employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in the System, 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 participates in the Public Employees' Group Life Insurance Plan which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/above_us/financial_statements_index.php.

B) Funding policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
    a. Employees who joined the system after July 27, 1976
        i. Employees contribute 3% of their salary, except those employees in the system more than ten years are no longer required to contribute.
    b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
        i. Employees contribute 3.5% of their salary throughout active membership.
    c. Employees who joined the system on or after April 1, 2012
        i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

2. New York State Employees' Retirement System
    a. Employees who joined the system after July 27, 1976

i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.

b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
   i. Employees contribute 3% of their salary throughout active membership.

c. Employees who joined the system on or after April 1, 2012
   i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2022 for covered payroll was 18.3% for Tiers 3 &4, 15.3% for Tier 5, and 10.7% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for TRS' fiscal year ended June 30, 2022 was 9.80%

The District is required to contribute at a rate determined actuarially by the Systems. The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	NYSTRS	NYSERS
2022	$ 2,993,189	$ 817,742
2021	$ 2,801,781	$ 825,101
2020	$ 2,583,639	$ 775,951

C) Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions:

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation with update procedures used to roll forward the total pension asset/(liability). 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 ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Net pension asset/(liability)	$ (1,826,430)	$ (30,025,692)
District's portion of the Plan's total net pension asset/ (liability)	0.0223428%	0.173268%
Change in proportion since prior measurement date	0.023835%	0.001463%

For the fiscal year ended June 30, 2022, the District recognized pension expense of $190,697 for ERS, and $(1,718,679) for TRS. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 138,318	$ 4,138,723	$ 179,406	$ 155,996
Changes of assumptions	3,048,107	9,876,078	51,433	1,748,908
Net difference between projected and actual earnings on pension plan investments	-	-	5,980,793	31,424,994
Changes in proportion and differences between the District's contributions and proportionate share of contributions	746,242	236,718	472,433	253,119
District's contributions subsequent to the measurement date	188,422	2,993,189	-	-
	$ 4,121,089	$ 17,244,708	$ 6,684,065	$ 33,583,017

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Plan Year Ended:		
2022	$ -	$ (3,873,270)
2023	(379,722)	(4,525,846)
2024	(601,103)	(5,743,466)
2025	(1,495,389)	(7,571,504)
2026	(275,184)	1,391,330
Thereafter	-	991,258
	$ (2,751,398)	$ (19,331,498)

Actuarial Assumptions

The total pension asset/ (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 asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31,2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18% - 1.95%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.70%	2.40%

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

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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 expense 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.

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 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.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2022		June 30, 2021	
Asset type	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.0%	3.30%	33.0%	6.80%
International equity	15.0%	5.85%	16.0%	7.60%
Global equity	-	-	4.0%	7.10%
Private equity	10.0%	6.50%	8.0%	10.00%
Real estate	9.0%	5.00%	11.0%	6.50%
Credit	4.0%	3.78%	-	-
Opportunistic/Absolute return strategy	3.0%	4.10%	-	-
Real assets	3.0%	5.80%	-	-
Bonds and mortgages	23.0%	0.00%	-	-
Cash	1.0%	-1.00%	-	-
Domestic fixed income securities	-	-	16.0%	1.30%
Global fixed income securities	-	-	2.0%	0.80%
High-yield fixed income securities	-	-	1.0%	3.80%
Private debt	-	-	1.0%	5.90%
Mortgages - Real Estate Debt	-	-	7.0%	3.30%
Short-term	-	-	1.0%	-0.20%
	100.0%		100.0%	

The expected real rate of return is net of the long-term inflation assumptions of 2.50% for ERS, and 2.40% for TRS.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. 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. 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 asset/(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 5.90% for ERS and 6.95% for TRS, 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-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentagepoint higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset/(liability)	$ 4,701,211	$ (1,826,430)	$ (7,286,487)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset/(liability)	$ (3,150,759)	$ (30,025,692)	$ (52,612,124)

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:

	(Dollars in Thousands) ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Employers' total pension asset/(liability)	$ (223,874,888)	$ (130,819,415)
Plan Net Position	232,049,473	148,148,457
Employers' net pension asset/(liability)	$ 8,174,585	$ 17,329,042
Ratio of plan net position to the Employers' total pension asset/(liability)	103.65%	113.25%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $188,422.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022, are paid to the System in September, October, and November 2022 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS

System. Accrued retirement contributions as of June 30, 2022, amounted to $3,288,442, which includes amounts withheld from employee.

NOTE 14 - PENSION PLANS- OTHER PLANS:

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 make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the fiscal year ended June 30, 2022, totaled $290,640 and $2,158,543 respectively.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, and MEDCO. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 74% and 81.5% of premiums for retirees, 74% and 81.5% of premiums for family coverage, and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year ended June 30, 2022, the District contributed an estimated $3,342,126 to the Plan, including $3,342,126 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	384
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	224
Total	608

B) Total OPEB Liability:

The District's total OPEB liability of $98,419,040 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. Updated procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Discount rate	3.54%
Healthcare cost trend rates	5.10% for 2021, decreasing or increasing .5% per year to ultimate rate of 4.10% in 2074, and over 54 years.
Retirees' share of benefit-related costs	18.5-26% for individuals,18.5-26% for family and 100% for surviving spouses.

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

Mortality rates were based on PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

Each of the assumptions used in this July 1, 2021 valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgement regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

C) Changes in the Total OPEB Liability:

Balance at June 30, 2021	$ 111,764,134
Changes for the fiscal year:	
Service cost	3,218,117
Interest	2,447,714
Effect of plan changes	-
Effect of demograpic gains or losses	(9,885,110)
Changes in assumptions or other inputs	(5,783,689)
Benefit payments	(3,342,126)
Net changes in total OPEB liability	(13,345,094)
Balance at June 30, 2022	$ 98,419,040

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	$ 114,575,368	$ 98,419,040	$ 85,389,283

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 (4.10%) or 1-percentage-point higher (6.10%) than the current healthcare cost trend rates:

	1% Decrease (4.10%)	Healthcare Cost Trend Rates (5.10%)	1% Increase (6.10%)
Total OPEB liability	$ 85,537,981	$ 98,419,040	$ 114,975,499

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2022, the District recognized OPEB expense (credit) of $(213,595). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Differences between expected and actual experience	$ 44,147	$ (9,494,163)
Changes of assumptions or other inputs	560,268	(13,603,271)
	$ 604,415	$ (23,097,434)

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

Fiscal Year Ended June 30:	
2023	$ (5,879,426)
2024	(5,879,426)
2025	(5,592,326)
2026	(2,751,687)
2027	(2,390,154)
Thereafter	-
	$ (22,493,019)

NOTE 16 – RISK MANAGEMENT:

A) General:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded 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. As of June 30, 2022, the District has recorded potential workers' compensation claims of $1,860,294 and has a workers' compensation reserve balance of $2,026,664 in the general fund.

	2022	2021
Unpaid claims at beginning of year	$ 1,803,912	$ 1,776,630
Incurred claims and claim adjustment expenses	103,367	74,704
Claims payments	(46,985)	(47,422)
Unpaid claims at year end	$ 1,860,294	$ 1,803,912

C) Public Entity Risk Pool:

The District participates in New York Schools Insurance Reciprocal, a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

NOTE 17 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

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

General Support	$ 10,321
Instructional	2,377
	$ 12,698

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 years' experience, the District's administration believes disallowances, if any, will be immaterial.

C) Litigation:

The District is aware of claims and potential lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

NOTE 18 – TAX ABATEMENTS:

The District received PILOT from the County related to the Long Island Power Authority. These PILOT are not considered tax abatements as the purpose of this agreement was not to abate taxes.

NOTE 19 – RESTATEMENT OF NET POSITION

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The adoption and implementation of this Statement resulted in the restatement of opening balances of non-current assets and long-term liabilities. These changes have been restated as follows:

	Statement of Net Position
Fund Balance/Net Position Beginning of Year as Reported	$ (89,261,243)
Intangible lease assets	2,101,051
Total Assets	2,101,051
Lease liability	(2,101,051)
Total Liabilities	(2,101,051)
Fund Balance/Net Position Beginning of Year, as Restated	$ (89,261,243)

NOTE 20 – SUBSEQUENT EVENTS

Management of the District evaluated events through October 6, 2022 which is the date the financial statements were available to be issued, and noted the following:

The District issued a tax anticipation note in the amount of $5,000,000 on September 14, 2022 with a maturity date of June 28, 2023.

SUPPLEMENTARY INFORMATION

SEAFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 50,643,150	$ 50,643,150	50,689,800	$ 46,650
Other real property tax items	5,903,719	5,903,719	5,984,847	81,128
Charges for services	1,425,000	1,425,000	1,174,765	(250,235)
Use of money & property	135,000	135,000	104,553	(30,447)
Miscellaneous	227,500	308,900	403,200	94,300
State Sources				
Basic formula	9,553,453	9,553,453	8,581,536	(971,917)
Excess cost aid	628,364	628,364	1,825,444	1,197,080
Lottery aid	2,288,662	2,288,662	2,351,322	62,660
BOCES aid	2,125,935	2,125,935	1,900,257	(225,678)
Textbook aid	138,150	138,150	136,456	(1,694)
Computer software aid	39,000	39,000	38,664	(336)
Computer hardware aid	30,305	30,305	30,294	(11)
Library A/V loan program aid	17,000	17,000	16,131	(869)
Tuition for students with disabilities	-	-	40,116	40,116
Other state aid		-		-
Federal Sources				
Other Federal Aid, FEMA	-		131,955	131,955
Medicaid reimbursement	42,500	42,500	78,072	35,572
TOTAL REVENUES	73,197,738	73,279,138	73,487,412	208,274
Other Financing Sources				
Premium on obligations	-	-	44,000	44,000
Transfers from other funds	72,500	72,500	77,189	4,689
TOTAL REVENUES AND OTHER FINANCING SOURCES	73,270,238	73,351,638	73,608,601	$ 256,963
Appropriated Fund Balance	847,574	847,574		
Appropriated Reserves	757,567	757,567		
TOTAL REVENUES, OTHER SOURCES, APPROPRIATED FUND BALANCE & RESERVES	$ 74,875,379	$ 74,956,779		

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.

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

SEAFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 48,105	$ 49,700	37,947	$ -	$ 11,753
Central administration	342,200	342,555	333,458		9,097
Finance	750,029	767,346	753,656		13,690
Staff	267,843	325,831	291,136		34,695
Central services	4,766,380	4,681,919	4,202,861	10,321	468,737
Special items	735,550	777,695	764,300		13,395
Total General Support	6,910,107	6,945,046	6,383,358	10,321	551,367
Instructional					
Instruction, adm. & imp.	2,611,033	2,541,722	2,466,063		75,659
Teaching - regular school	21,858,987	21,976,460	21,500,175		476,285
Programs for children with handicapping conditions	10,633,802	10,232,319	9,986,796		245,523
Occupational education	1,102,222	1,112,165	1,069,274		42,891
Teaching special schools	169,139	121,375	62,758		58,617
Instructional media	3,935,314	3,527,586	3,392,538		135,048
Pupil services	3,353,195	3,604,796	3,416,673	2,377	185,746
Total Instruction	43,663,692	43,116,424	41,894,277	2,377	1,219,769
Pupil Transportation	3,935,050	4,085,700	3,912,055		173,645
Community Services	22,066	22,066	15,794		6,272
Employee Benefits	17,720,445	17,610,191	15,633,611		1,976,580
Debt Service					
Debt service - principal		520,000	517,391		2,609
Debt service - interest	50,000	83,333	81,287		2,046
TOTAL EXPENDITURES	72,301,360	71,862,760	67,920,382	12,698	3,929,680
Other Financing Uses					
Transfers to other funds	2,574,019	2,574,019	2,550,422	-	23,597
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 74,875,379	$ 74,436,779	70,988,195	$ 12,698	$ 3,955,886
Change In Fund Balances			2,620,406		
Fund Balances - Beginning of Year			23,742,758		
Fund Balances - End of Year			$ 26,363,164		

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.

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

SEAFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 3,218,117	$ 3,482,880	$ 3,821,212	$ 4,430,376	$ 4,301,336
Interest	2,447,714	2,435,715	4,131,361	3,711,352	3,572,336
Effect of plan changes	-	-	(62,921)	-	-
Effect of demographic gains or losses	(9,885,110)	-	(2,527,562)	-	107,212
Changes of assumptions or other inputs	(5,783,689)	871,528	(9,406,771)	(9,761,351)	-
Benefit payments	(3,342,126)	(3,493,893)	(3,381,103)	(3,510,180)	(3,442,385)
Net change in total OPEB liability	(13,345,094)	3,296,230	(7,425,784)	(5,129,803)	4,538,499
Total OPEB liability - beginning	111,764,134	108,467,904	115,893,688	121,023,491	116,484,992
Total OPEB liability - ending	$ 98,419,040	$ 111,764,134	$ 108,467,904	$ 115,893,688	$ 121,023,491
Covered-employee payroll	$ 23,593,376	$ 23,414,682	$ 23,414,682	$ 31,796,479	$ 31,796,479
Total OPEB liability as a percentage of covered-employee payroll	417.15%	477.33%	463.25%	364.49%	380.62%

Notes to Schedule:

Trust Assets

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

Change of Assumptions

The discount rate was 3.0% as of June 30, 2018.
The discount rate was 3.5% as of June 30, 2019.
The discount rate was 2.21% as of June 30, 2020.
The discount rate was 2.16% as of June 30, 2021.
The discount rate was 3.54% as of June 30, 2022.
Changes of assumptions and other inputs reflect a change in healthcare cost trend rates from 7.75% in 2019 to 6.6% in 2020 to 5.10 in 2021 and 2022.

SEAFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
JUNE 30*

NYSERS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.0223428%	0.0199593%	0.0205158%	0.0209504%	0.0218275%	0.0212372%	0.0218783%	0.0222192%	0.0222192%
District's proportionate share of the net pension asset/(liability)	$ 1,826,430	$ (19,874)	$ (5,432,692)	$ (1,484,402)	$ (704,471)	$ (1,995,496)	$ (3,511,535)	$ (750,620)	$ (1,004,056)
District's covered payroll	$ 5,990,831	$ 5,822,673	$ 5,721,381	$ 5,444,243	$ 5,459,752	$ 5,479,693	$ 5,291,510	$ 5,200,321	$ 5,221,306
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	(30.49%)	0.34%	94.95%	27.27%	12.90%	36.42%	66.36%	14.43%	19.23%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.20%

NYSTRS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.173268%	0.171805%	0.168380%	0.171766%	0.171162%	0.175539%	0.171906%	0.171205%	0.174501%
District's proportionate share of the net pension asset/(liability)	$ 30,025,692	$ (4,747,430)	$ 4,374,535	$ 3,105,973	$ 1,300,999	$ (1,880,097)	$ 17,855,568	$ 19,071,205	$ 1,148,656
District's covered payroll	$ 29,736,093	$ 30,804,102	$ 29,696,638	$ 29,529,139	$ 29,706,482	$ 29,189,976	$ 28,192,688	$ 27,943,042	$ 28,499,881
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	(100.97%)	15.41%	14.73%	10.52%	4.38%	6.44%	63.33%	68.25%	4.03%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

*The amounts presented for each fiscal year were determined as of the measurement date of the plans.

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS

NYSERS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 817,742	$ 825,101	$ 775,951	$ 829,997	$ 837,252	$ 773,346	$ 775,064	$ 1,058,737	$ 1,066,333	$ 1,114,250	$ 798,408
Contributions in relation to the contractually required contribution	817,742	825,101	775,951	829,997	837,252	773,346	775,064	1,058,737	1,066,333	1,114,250	798,408
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$5,980,623	$5,822,673	$5,664,240	$5,671,824	$5,560,091	$5,671,824	$5,259,599	$ 5,406,744	$ 5,176,465	$ 5,262,439	$ 5,088,036
Contributions as a percentage of covered payroll	13.67%	14.17%	13.70%	14.63%	15.06%	13.63%	14.74%	19.58%	20.60%	21.17%	15.69%

NYSTRS Pension Plan

	2021	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 2,993,189	$ 2,801,781	$ 2,583,639	$ 2,984,797	$ 2,741,910	$ 3,178,872	$ 3,591,795	$ 4,526,707	$ 4,109,575	$ 3,026,370	$ 2,759,844
Contributions in relation to the contractually required contribution	2,993,189	2,801,781	2,583,639	2,984,797	2,741,910	3,178,872	3,591,795	4,526,707	4,109,575	3,026,370	2,759,844
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$30,860,097	$29,736,093	$30,804,102	$29,696,638	$29,529,139	$29,706,482	$29,189,976	$ 28,192,688	$ 27,943,042	$ 28,499,881	$ 26,552,548
Contributions as a percentage of covered payroll	9.70%	9.42%	8.39%	10.05%	9.29%	10.70%	12.30%	16.06%	14.71%	10.62%	10.39%

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 74,717,812
Add: Prior year's encumbrances		157,567
Original Budget		74,875,379
Budget revisions:		
Repair reserve	$ 80,000	
Donations	1,400	
		81,400
Final Budget		$ 74,956,779

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter approved expenditure budget		$ 77,396,951
Maximum allowed (4% of the 2022-23 budget)		3,095,878
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 862,698	
Unassigned fund balance	4,531,451	
Total unrestricted fund balance		5,394,149
Less:		
Appropriated fund balance	$ 850,000	
Encumbrances included in assigned fund balance	12,698	
Unassigned - reserve for tax reduction	1,574,287	
Total adjustments		2,436,985
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,957,164
Actual percentage		3.82%

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project Title	Original Budget	Revised Budget	Expenditures to Date			Unexpended Balance	Methods of Financing					Fund Balance June 30, 2022
			Prior Year's	Current Year	Total		Proceeds of Obligations	Federal Aid	State Aid	Local Sources	Total	
Capital Improvements - High School	$ 15,160,626	$ 15,542,408	$ 14,823,903	$ 309,789	$ 15,133,692	$ 408,714	$ 12,195,297	$ -	$ 395,227	$ 2,703,982	$ 15,294,506	$ 160,814
Capital Improvements - ESSER HS	1,138,343	1,138,343	-	761,627	761,627	376,716		761,627			761,627	-
Capital Improvements - Middle School	7,868,680	6,062,692	5,932,159	175,608	6,107,767	(45,075)	4,510,752		274,571	1,269,869	6,055,192	(52,575) *
Capital Improvements - ESSER MS	607,602	607,602	-	462,647	462,647	144,955		462,647			462,647	-
Capital Improvements - Manor School	2,786,963	2,807,251	2,665,909	179,313	2,845,222	(37,971)	1,406,599		626,638	756,302	2,789,539	(55,683) *
Capital Improvements - Harbor School	5,124,590	5,270,240	4,065,585	1,070,512	5,136,097	134,143	1,600,161		322,000	3,340,579	5,262,740	126,643
Energy Performance Contract - General	3,289,503	3,289,503	3,279,303		3,279,303	10,200	3,289,503				3,289,503	10,200
TOTAL	$ 35,976,307	$ 34,718,039	$ 30,766,859	$ 2,959,496	$ 33,726,355	$ 991,682	$ 23,002,312	$ 1,224,274	$ 1,618,436	$ 8,070,732	$ 33,915,754	$ 189,398

* The deficit balance will be eliminated once permanent funding is obtained and SSBA funds are received.

See Accompanying Notes to Financial Statements

SEAFORD UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022

Capital assets, net		$ 25,607,000
Intangible lease assets, net		1,487,124
Deduct:		
Short-term portion of bonds payable	$ (1,069,607)	
Long-term portion of bonds payable	(11,699,552)	
Short-term portion of lease liability	(500,345)	
Long-term portion of lease liability	(1,083,315)	
Short-term portion of energy performance debt	(274,364)	
Long-term portion of energy performance debt	(285,038)	
Less: unspent energy performance debt	10,200	
Less: deferred charges	450,651	
		(14,451,370)
Net investment in capital assets		$ 12,642,754

See Accompanying Notes to Financial Statements

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Robert S. Abrams *(1926–2014)*

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA
Brendan Nelson, CPA

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
Seaford Union Free School District

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 Seaford Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 6, 2022