

HUNTINGTON UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS

June 30, 2026

HUNTINGTON UNION FREE SCHOOL DISTRICT
Huntington Station, New York

HUNTINGTON UNION FREE SCHOOL DISTRICT
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CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Huntington Union Free School District
Huntington Station, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Huntington Union Free School District, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual – general fund, notes to required supplementary information – budgetary comparison, schedule of the district's proportionate share of the net pension asset/(liability), schedule of district pension contributions, and schedule of changes in the district's total OPEB liability and related ratios on pages 4 through 16 and 55 through 60, 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 Huntington Union Free School District's basic financial statements. The accompanying combining nonmajor funds financial statements on pages 61 and 62 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information on pages 63 through 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is other information requested by the New York State Education Department. Management is responsible for the other information. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2026, on our consideration of Huntington Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Huntington Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Huntington Union Free School District's internal control over financial reporting and compliance.

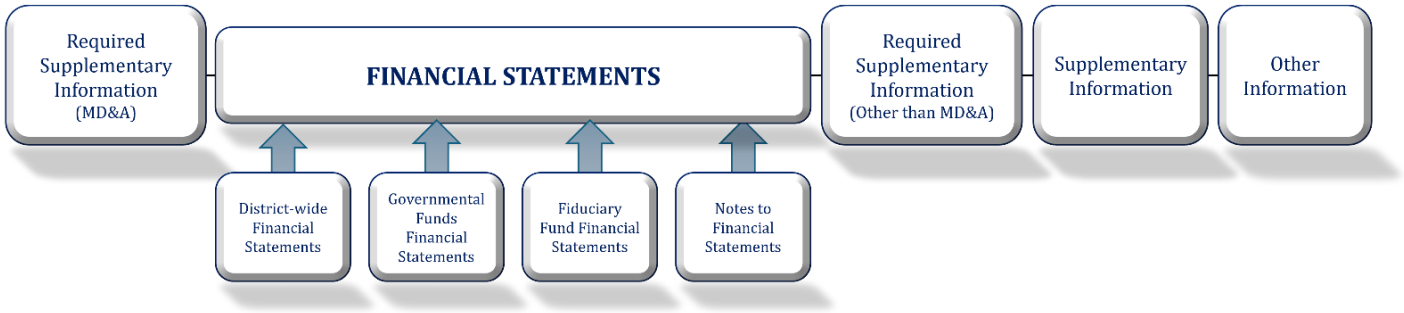
Cullen & Danowski, LLP

Port Jefferson Station, New York
October 16, 2026

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

1. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-Wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Funds Financial Statements

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

Governmental Funds

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

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

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

The District maintains eight individual governmental funds: general fund, special aid fund, school food service fund, debt service fund, capital projects fund, extraclassroom activities fund, scholarships fund, and permanent fund. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, special aid fund, and capital projects fund, which are reported as major funds. Combining information for the nonmajor funds can be found elsewhere in this report.

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

Fiduciary Fund

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

2. FINANCIAL SUMMARY AND DETAILED ANALYSIS

A. Net Position

The prior year's presentation aligns with the current year reporting format; net pension asset within current and other assets, and total OPEB and net pension liabilities within long-term liabilities. The District's total net position deficit decreased by $14,106,326 between fiscal years 2025 and 2026. The deficit decrease is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position, follows:

	2026	2025	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 77,005,075	$ 69,818,465	$ 7,186,610	10.29 %
Capital Assets, Net	39,588,433	37,183,717	2,404,716	6.47 %
Total Assets	116,593,508	107,002,182	9,591,326	8.96 %
Deferred Outflows of Resources	58,493,661	44,997,691	13,495,970	29.99 %
Liabilities				
Current and Other Liabilities	12,567,046	14,045,516	(1,478,470)	(10.53)%
Long-Term Liabilities	289,598,155	265,842,687	23,755,468	8.94 %
Total Liabilities	302,165,201	279,888,203	22,276,998	7.96 %
Deferred Inflows of Resources	79,971,011	93,267,039	(13,296,028)	(14.26)%
Net Position (Deficit)				
Net Investment in Capital Assets	39,392,134	35,803,804	3,588,330	10.02 %
Restricted	53,224,748	44,713,643	8,511,105	19.03 %
Unrestricted (Deficit)	(299,665,925)	(301,672,816)	2,006,891	0.67 %
Total Net Position (Deficit)	$ (207,049,043)	$ (221,155,369)	$ 14,106,326	6.38 %

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

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

- Increase in total OPEB liability of $28,573,529 is based on the actuarial valuation of the plan and a decrease in the discount rate.

- Decrease in the New York State and Local Employees' Retirement System's (ERS) net pension liability – proportionate share of $4,420,799 at the measurement date, which is the result of the actuarial valuation, which reported that the plan's net position increased more than the total pension liability.

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

B. Changes in Net Position

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

	2026	2025	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	$ 562,867	$ 594,778	$ (31,911)	(5.37)%
Operating Grants & Contributions	8,459,960	10,014,923	(1,554,963)	(15.53)%
Capital Grants	101,148	288,354	(187,206)	(64.92)%
General Revenues				
Real Property Taxes & STAR	120,426,114	117,043,556	3,382,558	2.89 %
State Sources	31,837,434	30,587,183	1,250,251	4.09 %
Other	3,234,403	3,125,890	108,513	3.47 %
Total Revenues	164,621,926	161,654,684	2,967,242	1.84 %
Expenses				
General Support	19,261,352	18,375,934	885,418	4.82 %
Instruction	115,620,011	121,859,096	(6,239,085)	(5.12)%
Pupil Transportation	12,541,512	11,638,943	902,569	7.75 %
Debt Service - Interest	415,442	463,968	(48,526)	(10.46)%
Food Service Program	2,677,283	2,796,874	(119,591)	(4.28)%
Total Expenses	150,515,600	155,134,815	(4,619,215)	(2.98)%
Change in Net Position	$ 14,106,326	$ 6,519,869	$ 7,586,457	116.36 %

Net position increased by $14,106,326 and $6,519,869 for the years ended June 30, 2026 and June 30, 2025, respectively.

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

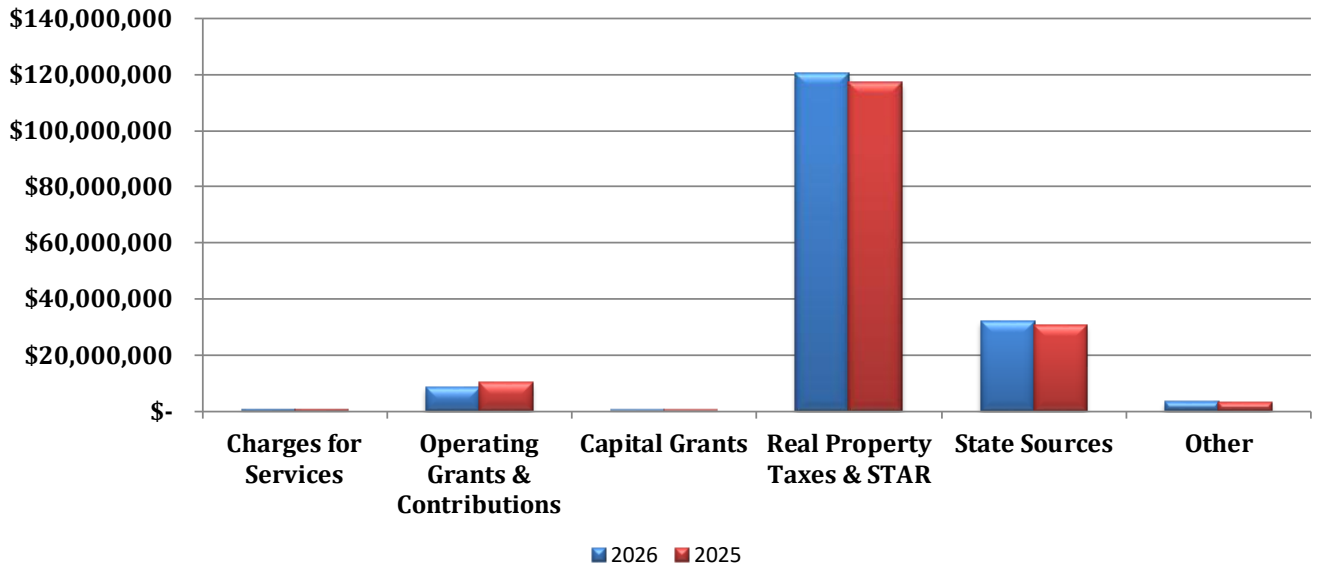
- Real property taxes and STAR increased to fund additional appropriations in the voter-approved 2025-2026 budget.
- State sources increased in the areas of general aid, excess cost aid, and BOCES aid.
- Operating grants and contributions decreased, as, in the prior year, the District expended more funding received under the American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) program.

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

- Instruction expenses decreased primarily due to lower actuarially determined OPEB expense and a TRS pension expense credit allocated to functions, offset by increases in health insurance costs and routine salary and step increases.

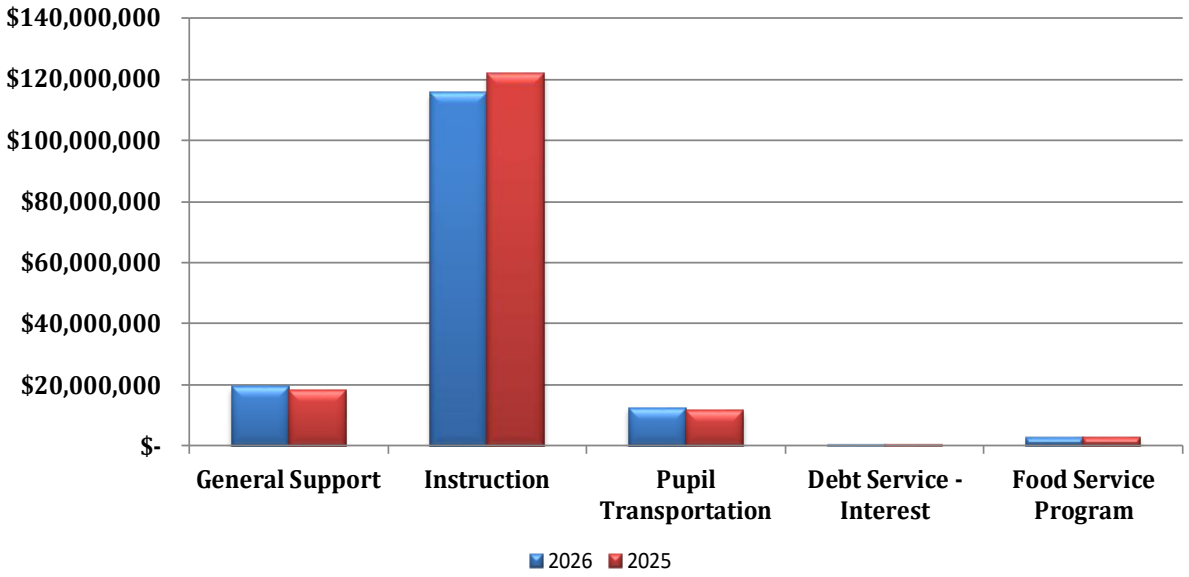
As indicated on the graphs that follow, real property taxes and STAR comprise the largest component of revenues recognized, (i.e., 73.2% and 72.4% of the total for the years ended 2026 and 2025, respectively). Instruction expense is the largest category of expenses incurred, (i.e., 76.8% and 78.6% of the total for the years ended 2026 and 2025, respectively).

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



	Charges for Services	Operating Grants & Contributions	Capital Grants	Real Property Taxes & STAR	State Sources	Other
2026	0.3%	5.1%	0.1%	73.2%	19.3%	2.0%
2025	0.4%	6.2%	0.2%	72.4%	18.9%	1.9%

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



	General Support	Instruction	Pupil Transportation	Debt Service - Interest	Food Service Program
2026	12.8%	76.8%	8.3%	0.3%	1.8%
2025	11.8%	78.6%	7.5%	0.3%	1.8%

3. DETAILED ANALYSIS OF GOVERNMENTAL FUNDS

At June 30, 2026, the District's governmental funds reported a combined fund balance of $46,653,307, which is an increase of $88,000 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses based upon the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund, is as follows:

	2026	2025	Increase (Decrease)	Percentage Change
General Fund				
Restricted:				
Workers' compensation	$ 2,986,068	$ 2,838,620	$ 147,448	5.19 %
Unemployment insurance	237,356	190,682	46,674	24.48 %
Retirement contribution				
Teachers' retirement system	3,678,992	3,049,478	629,514	20.64 %
Employees' retirement system	6,256,076	5,710,754	545,322	9.55 %
Employee benefit accrued liability	7,023,068	6,458,908	564,160	8.73 %
Capital	2,619,718	2,594,365	25,353	0.98 %
Assigned:				
Appropriated fund balance	1,850,000	1,650,000	200,000	12.12 %
Unappropriated fund balance	704,615	606,491	98,124	16.18 %
Unassigned: Fund balance	6,440,556	6,251,046	189,510	3.03 %
	31,796,449	29,350,344	2,446,105	8.33 %

	2026	2025	Increase (Decrease)	Percentage Change
Capital Projects Fund				
Restricted: Capital	$ 11,492,459	$ 13,533,110	$ (2,040,651)	(15.08)%
Assigned: Unappropriated fund balance	228,186	772,049	(543,863)	(70.44)%
	11,720,645	14,305,159	(2,584,514)	(18.07)%
School Food Service Fund				
Nonspendable: Inventory	-	18,557	(18,557)	(100.00)%
Assigned: Unappropriated fund balance	-	1,030,083	(1,030,083)	(100.00)%
	-	1,048,640	(1,048,640)	(100.00)%
Debt Service Fund				
Restricted: Debt service	-	212,522	(212,522)	(100.00)%
Extraclassroom Activities Fund				
Assigned: Unappropriated fund balance	-	238,843	(238,843)	(100.00)%
Scholarships Fund				
Restricted: Scholarships	-	529,481	(529,481)	(100.00)%
Permanent Fund				
Nonspendable: Scholarships	-	880,318	(880,318)	(100.00)%
Nonmajor Funds				
Nonspendable:				
Inventory	13,921	-	13,921	N/A
Scholarships	880,318	-	880,318	N/A
Restricted				
Debt	212,522	-	212,522	N/A
Scholarships	603,803	-	603,803	N/A
Assigned: Unappropriated fund balance	1,425,649	-	1,425,649	N/A
	3,136,213	-	3,136,213	N/A
Total Fund Balance	$ 46,653,307	$ 46,565,307	$ 88,000	0.19 %

A. General Fund

Fund Balance

The general fund – fund balance is a net increase of $2,446,105, compared to a decrease of $1,536,619 in 2025. This resulted from revenues and other financing sources in excess of expenditures and other financing uses.

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

	2026	2025	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	$ 120,426,114	$ 117,043,556	$ 3,382,558	2.89 %
Other Local Sources	3,355,986	3,194,120	161,866	5.07 %
State Sources	31,837,434	30,587,183	1,250,251	4.09 %
Federal Sources	628,526	60,676	567,850	935.87 %
Other Financing Sources	267,298	156,203	111,095	71.12 %
	$ 156,515,358	$ 151,041,738	$ 5,473,620	3.62 %

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

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

	2026	2025	Increase (Decrease)	Percentage Change
General Support	$ 15,890,334	$ 15,684,454	$ 205,880	1.31 %
Instruction	83,025,965	81,775,966	1,249,999	1.53 %
Pupil Transportation	11,887,521	11,051,557	835,964	7.56 %
Employee Benefits	39,862,977	39,176,207	686,770	1.75 %
Debt Service	431,967	471,601	(39,634)	(8.40)%
Other Financing Uses	2,970,489	4,418,572	(1,448,083)	(32.77)%
	$ 154,069,253	$ 152,578,357	$ 1,490,896	0.98 %

- Instruction expenditures increased primarily due to routine salary and step increases, coupled with additional staffing needs in both the teaching - regular school and programs for students with disabilities.

- Pupil transportation expenditures increased due to higher contract transportation rates.

- Employee benefits expenditures increased due to higher health insurance rates.

- Other financing uses decreased mainly due to a smaller voter-approved transfer to the capital projects fund to fund capital improvements to district-wide facilities.

Restricted Fund Balance

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

	Balance June 30, 2025	Use of Reserves	Interest	Funding	Balance June 30, 2026
Workers' compensation	$ 2,838,620	$ (540,876)	$ 80,421	$ 607,903	$ 2,986,068
Unemployment insurance	190,682		6,674	40,000	237,356
Retirement contribution					
TRS	3,049,478	(461,080)	90,594	1,000,000	3,678,992
ERS	5,710,754	(632,420)	177,742	1,000,000	6,256,076
EBAL	6,458,908	(197,331)	219,155	542,336	7,023,068
Capital - 2022	2,594,365	(2,115,154)	90,803	977,474	1,547,488
Capital - 2025	-			1,072,230	1,072,230
	$ 20,842,807	$ (3,946,861)	$ 665,389	$ 5,239,943	$ 22,801,278

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

Change in Unassigned Fund Balance

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

Opening, Unassigned Fund Balance	$ 6,251,046
Revenues and Other Financing Sources Over Budget	2,135,271
Expenditures, Other Financing Uses, and Encumbrances Under Budget	5,809,571
Net Change in Reserves	(5,905,332)
Appropriated to Fund the June 30, 2027 Budget	(1,850,000)
Closing, Unassigned Fund Balance	$ 6,440,556

This amount equals 4% of the 2026-2027 budget, the statutory limit.

B. Capital Projects Fund

The capital projects fund - fund balance decreased by $2,584,514. This was the result of a transfer from the general fund capital reserve for May 2026 voter-authorized projects in the amount of $2,115,154, and a general fund transfer of $260,000 per the 2025-2026 budget, along with grant revenue of $41,974, and lease issuance proceeds of $22,592, which were offset by capital expenditures of $4,756,936, and a transfer to the general fund of $267,298 resulting from completed capital projects.

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

Creation Date	Balance June 30, 2025	Use of Reserves	Funding	Balance June 30, 2026
May 20, 2008	$ 75,445	$ (23,709)	$	$ 51,736
May 21, 2013	344,454	(207,797)		136,657
May 16, 2017	1,947,607	(920,389)		1,027,218
May 15, 2018	387,647	(205,423)		182,224
May 17, 2022	10,777,957	(2,798,487)	2,115,154	10,094,624
	$ 13,533,110	$ (4,155,805)	$ 2,115,154	$ 11,492,459

C. Reclassification of Major Funds to Nonmajor Funds

During the year ended June 30, 2026, the District reclassified the school food service, debt service, extraclassroom activities, scholarships, and permanent funds from major funds to nonmajor funds. This change is a presentation change, made to improve the clarity of the financial statements and has no impact on the overall governmental fund balances. The funds were previously presented as major funds, but management did not elect to continue reporting them as major.

D. Nonmajor Funds

The net change in the combined nonmajor funds – fund balance is an increase of $226,409, compared to an increase of $342,259 in 2025. Revenues and operating transfers of $3,427,011 exceeded expenditures of $3,200,602. Revenues decreased from the prior year, primarily as a result of lower state reimbursements for the school food service program and lower scholarships revenues.

4. SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

A. Capital Assets and Intangible Assets

At June 30, 2026, the District had invested in a broad range of capital assets and intangible assets, as indicated in the following table. The net increase in capital assets and intangible assets is due to capital outlays and other additions of $5,166,743 in excess of depreciation/amortization expense of $2,762,027 recorded for the year ended June 30, 2026. A summary of the District's capital assets and intangible assets, net of accumulated depreciation/amortization at June 30, 2026 and 2025, is as follows:

	2026	2025	Increase (Decrease)
Land	$ 1,545,142	$ 1,545,142	$ -
Construction in progress	5,497,268	3,313,499	2,183,769
Buildings and improvements	27,196,024	27,104,449	91,575
Site improvements	3,016,098	2,848,219	167,879
Furniture and equipment	2,296,572	2,331,266	(34,694)
Leased equipment	37,329	41,142	(3,813)
Capital assets, net	$ 39,588,433	$ 37,183,717	$ 2,404,716

B. Debt Administration

At June 30, 2026, the District had combined total debt of $40,291. Debt decreased due to the final payment of principal on the serial bond. Lease liabilities decreased resulting from payments during the year, net of a new lease issuance. A summary of the outstanding debt at June 30, 2026 and 2025, is as follows:

Issue/ Commencement Date	Interest Rate	2026	2025	Increase (Decrease)
Bonds Payable				
4/2015	2.0-4.0%	$ -	$ 225,000	$ (225,000)
Lease Liabilities				
12/2021	0.98%	$ 8,082	$ 18,502	$ (10,420)
10/2023	0.98%	13,790	24,347	(10,557)
8/2025	0.98%	18,419		18,419
		$ 40,291	$ 42,849	$ (2,558)

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

C. Other Long-Term Liabilities

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

	2026	2025	Increase (Decrease)
Compensated absences payable	$ 9,778,805	$ 10,518,617	$ (739,812)
Workers' compensation liabilities	2,621,191	2,051,083	570,108
Total OPEB liability	275,017,787	246,444,258	28,573,529
Net pension liabilities - proportionate share	2,140,081	6,560,880	(4,420,799)
	$ 289,557,864	$ 265,574,838	$ 23,983,026

5. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

A. Subsequent Year's Budget

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

The District originally increased budgeted revenues other than property taxes and STAR over the prior year's estimate, which was principally due to an estimated decrease in state aid; however, due to a recent settlement, the District reduced real property taxes and increased other revenues, as explained in the paragraph below. The assigned, appropriated fund balance applied to the budget increased over the previous year. Additionally, the District has elected to increase the amount of appropriated reserves towards the next

year's budget. A property tax increase was needed to meet the funding shortfall and cover the increase in appropriations.

A recent settlement between the Town of Huntington and the Long Island Power Authority (LIPA) transitions LIPA's properties off the tax rolls to scheduled payments in lieu of taxes. The tax levy limit (tax cap) formula requires the subtraction of PILOT revenues from the District's allowable levy growth, lowering the District's legal tax cap ceiling. As a result of this settlement, the District's property tax levy dropped from $123,748,530 to $121,909,534, a decrease of $1,838,996 in the original property tax levy. This loss of revenue will be partially replaced by PILOT revenues, resulting in a budget increase for other revenues.

The following is a summary of these changes:

	2026	2027	Change
Property Taxes & STAR	$ 120,426,114	$ 121,909,534	$ 1,483,420
State Aid	32,259,586	31,357,026	(902,560)
Appropriated Fund Balance	1,650,000	1,850,000	200,000
Appropriated Reserves	1,831,707	2,568,048	736,341
Other Revenues	1,608,746	3,329,296	1,720,550
Adopted Budget	**$ 157,776,153**	**$ 161,013,904**	**$ 3,237,751**
Change in Budget	*3.61%*	*2.05%*	
Change in Tax Levy	**2.89%**	**1.23%**	
Tax Levy Limit	$ 120,953,894	$ 121,909,534	
Over/(Under) limit	(527,780)	-	
Property Tax Cap	**3.34%**	**1.23%**	

B. Tax Cap

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

C. Future Budgets

Factors to consider that could influence future budgets:

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

CONTACTING THE DISTRICT

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

Dr. Rubie R. Harris
Assistant Superintendent for Finance & Management Services
Huntington Union Free School District
50 Tower Street
Huntington Station, New York 11746

HUNTINGTON UNION FREE SCHOOL DISTRICT
Statement of Net Position
June 30, 2026

ASSETS	
Cash and cash equivalents	
Unrestricted	$ 17,550,525
Restricted	35,990,380
Receivables	
Accounts receivable	57,773
Due from state and federal	5,695,369
Due from other governments	320,287
Other assets	142,452
Inventory	13,921
Capital assets	
Not being depreciated	7,042,410
Being depreciated/amortized, net of accumulated depreciation/amortization	32,546,023
Net pension assets - proportionate share	17,234,368
Total Assets	116,593,508
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	24,367,491
Other postemployment benefits	34,126,170
Total Deferred Outflows of Resources	58,493,661
LIABILITIES	
Payables	
Accounts payable	3,897,791
Accrued liabilities	909,816
Due to fiduciary fund	1,230
Due to other governments	50,821
Due to teachers' retirement system	6,394,360
Due to employees' retirement system	777,872
Compensated absences payable	314,080
Other liabilities	59,927
Unearned credits: collections in advance	161,149
Long-term liabilities	
Due and payable within one year	
Lease liabilities	23,396
Compensated absences payable	1,683,357
Workers' compensation liabilities	701,950
Total other postemployment benefits liability	10,151,268
Due and payable after one year	
Lease liabilities	16,895
Compensated absences payable	8,095,448
Workers' compensation liabilities	1,919,241
Total other postemployment benefits liability	264,866,519
Net pension liabilities - proportionate share	2,140,081
Total Liabilities	302,165,201
DEFERRED INFLOWS OF RESOURCES	
Pensions	17,889,446
Other postemployment benefits	62,081,565
Total Deferred Inflows of Resources	79,971,011
NET POSITION (DEFICIT)	
Net investment in capital assets	39,392,134
Restricted	
Governmental	35,990,380
Pension	17,234,368
	53,224,748
Unrestricted (Deficit)	(299,665,925)
Total Net Position (Deficit)	$ (207,049,043)

HUNTINGTON UNION FREE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
Governmental Activities:					
General support	$ 19,261,352	$	$	$	$ (19,261,352)
Instruction	115,620,011	462,414	5,740,822	101,148	(109,315,627)
Pupil transportation	12,541,512				(12,541,512)
Debt service - interest	415,442				(415,442)
Food service program	2,677,283	100,453	2,719,138		142,308
Total Governmental Activities	$ 150,515,600	$ 562,867	$ 8,459,960	$ 101,148	(141,391,625)
GENERAL REVENUES					
Real property taxes					116,430,841
Other tax items					4,114,948
Use of money and property					1,657,001
Sale of property and compensation for loss					3,317
Miscellaneous					1,454,410
State sources					31,837,434
Total General Revenues					155,497,951
Change in Net Position (Deficit)					14,106,326
Total Net Position (Deficit) - Beginning of Year					(221,155,369)
Total Net Position (Deficit) - End of Year					$ (207,049,043)

HUNTINGTON UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2026

	General	Special Aid	Capital Projects	Formerly Major Funds: School Food Service	Formerly Major Funds: Debt Service	Formerly Major Funds: Extraclassroom Activities	Formerly Major Funds: Scholarships	Formerly Major Funds: Permanent	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS										
Cash and cash equivalents										
Unrestricted	$ 15,184,019	$ 715,094	$	$	$	$	$	$	$ 1,651,412	$ 17,550,525
Restricted	34,281,183		1,496,675						212,522	35,990,380
Receivables										
Accounts receivable	36,673								21,100	57,773
Due from other funds	4,467,334		11,483,488						2,364,439	18,315,261
Due from state and federal	2,448,600	2,671,214	281,725						293,830	5,695,369
Due from other governments	320,287									320,287
Other assets	142,452									142,452
Inventory									13,921	13,921
Total Assets	$ 56,880,548	$ 3,386,308	$ 13,261,888	$ -	$ -	$ -	$ -	$ -	$ 4,557,224	$ 78,085,968
LIABILITIES										
Payables										
Accounts payable	$ 3,450,709	$ 183,808	$ 156,008	$	$	$	$	$	$ 107,266	$ 3,897,791
Accrued liabilities	800,172	102,358							7,286	909,816
Due to other funds	12,968,840	3,098,585	1,102,654						1,146,412	18,316,491
Due to other governments	49,510		856						455	50,821
Due to teachers' retirement system	6,394,360									6,394,360
Due to employees' retirement system	777,872									777,872
Compensated absences payable	314,080									314,080
Other liabilities	59,927									59,927
Unearned credits: collections in advance		1,557							159,592	161,149
Total Liabilities	24,815,470	3,386,308	1,259,518	-	-	-	-	-	1,421,011	30,882,307
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues	268,629		281,725							550,354
FUND BALANCES										
Nonspendable									894,239	894,239
Restricted	22,801,278		11,492,459						816,325	35,110,062
Assigned	2,554,615		228,186						1,425,649	4,208,450
Unassigned	6,440,556									6,440,556
Total Fund Balances	31,796,449	-	11,720,645	-	-	-	-	-	3,136,213	46,653,307
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 56,880,548	$ 3,386,308	$ 13,261,888	$ -	$ -	$ -	$ -	$ -	$ 4,557,224	$ 78,085,968

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

Total Governmental Fund Balances		$ 46,653,307
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of building or acquiring capital assets, and of obtaining the right-to-use intangible assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost or present value of capital and intangible assets	$ 97,849,532	
Less: Accumulated depreciation/amortization	(58,261,099)	
		39,588,433
Proportionate share of long-term assets and liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or assets and liabilities and are not reported in the funds.		
Deferred outflows of resources	24,367,491	
Net pension asset - teachers' retirement system	17,234,368	
Net pension liability - employees' retirement system	(2,140,081)	
Deferred inflows of resources	(17,889,446)	
		21,572,332
Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	34,126,170	
Total other postemployment benefits liability	(275,017,787)	
Deferred inflows of resources	(62,081,565)	
		(302,973,182)
Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.		550,354
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Lease liabilities	(40,291)	
Compensated absences payable	(9,778,805)	
Workers' compensation liabilities	(2,621,191)	
		(12,440,287)
Total Net Position (Deficit)		$ (207,049,043)

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

				Formerly Major Funds						
	General	Special Aid	Capital Projects	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Permanent	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES										
Real property taxes	$ 116,430,841	$	$	$	$	$	$	$	$	$ 116,430,841
Other tax items	4,114,948									4,114,948
Charges for services	462,414									462,414
Use of money and property	1,572,763								84,238	1,657,001
Sale of property and compensation for loss	3,317									3,317
Miscellaneous	1,194,600	8,443							302,838	1,505,881
Interfund revenue	3,217									3,217
State sources	31,837,434	2,571,065	41,974						548,781	34,999,254
Federal sources	628,526	2,504,847							2,170,357	5,303,730
Sales									86,797	86,797
Total Revenues	156,248,060	5,084,355	41,974	-	-	-	-	-	3,193,011	164,567,400
EXPENDITURES										
General support	15,890,334	3,217								15,893,551
Instruction	83,025,965	4,831,784							257,517	88,115,266
Pupil transportation	11,887,521	610,689								12,498,210
Employee benefits	39,862,977									39,862,977
Debt service										
Principal	25,150								225,000	250,150
Interest	406,817								9,000	415,817
Food service program									2,709,085	2,709,085
Capital outlay			4,756,936							4,756,936
Total Expenditures	151,098,764	5,445,690	4,756,936	-	-	-	-	-	3,200,602	164,501,992
Excess (Deficiency) of Revenues Over Expenditures	5,149,296	(361,335)	(4,714,962)	-	-	-	-	-	(7,591)	65,408
OTHER FINANCING SOURCES AND (USES)										
Proceeds of debt			22,592							22,592
Operating transfers in	267,298	361,335	2,375,154						234,000	3,237,787
Operating transfers (out)	(2,970,489)		(267,298)							(3,237,787)
Total Other Financing Sources and (Uses)	(2,703,191)	361,335	2,130,448	-	-	-	-	-	234,000	22,592
Net Change in Fund Balances	2,446,105	-	(2,584,514)	-	-	-	-	-	226,409	88,000
Fund Balances - Beginning of Year, as Previously Reported	29,350,344	-	14,305,159	1,048,640	212,522	238,843	529,481	880,318	-	46,565,307
Change to or Within Reporting Entity				(1,048,640)	(212,522)	(238,843)	(529,481)	(880,318)	2,909,804	-
Fund Balances - Beginning of Year, as Restated	29,350,344	-	14,305,159	-	-	-	-	-	2,909,804	46,565,307
Fund Balances - End of Year	$ 31,796,449	$ -	$ 11,720,645	$ -	$ -	$ -	$ -	$ -	$ 3,136,213	$ 46,653,307

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

Net Change in Fund Balances		$ 88,000
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).	$ 57,743	
Certain expenditures in the governmental funds requiring the use of current financial resources (amounts paid) may exceed the amounts incurred during year, resulting in a reduction of the long-term liability and an increase in the net position.		
Decrease in compensated absences payable	739,812	
Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.		
Increase in workers' compensation liabilities	(570,108)	
		227,447
Capital Related Differences		
Capital outlays to purchase or build capital assets, or obtain the right-to-use intangible assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation/amortization expense in the Statement of Activities. This is the amount by which capital outlays and other additions exceeded depreciation/amortization expense in the period.		
Capital outlays and other additions	5,166,743	
Depreciation/amortization expense	(2,762,027)	
		2,404,716
Long-Term Debt Transaction Differences		
Proceeds from the issuance of lease commitments are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(22,592)	
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Bonds	225,000	
Lease liabilities	25,150	
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2025 to June 30, 2026.	375	
		227,933
Pension and Other Postemployment Benefits Differences		
The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.		
Teachers' retirement system	6,484,062	
Employees' retirement system	(52,185)	
Other postemployment benefits	4,726,353	
		11,158,230
Change in Net Position (Deficit) of Governmental Activities		$ 14,106,326

HUNTINGTON UNION FREE SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2026

	Custodial
ASSETS	
Due from governmental funds	$ 1,230
LIABILITIES	
Other liabilities	1,230
NET POSITION	
Restricted for individuals, organizations, and other governments	$ -

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

	Custodial
ADDITIONS	
Real property taxes collected for the Library	$ 9,610,321
DEDUCTIONS	
Disbursements of real property taxes to the Library	9,610,321
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	$ -

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Joint Venture

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

C. Basis of Presentation

District-Wide Financial Statements

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

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

Funds Financial Statements

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

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

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

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

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

The following are the District's nonmajor governmental funds:

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

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

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

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

Permanent Fund – is used to account for endowed scholarship funds collected that benefit annual scholarships for students.

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Real Property Taxes and Other Tax Items

Calendar

Real property taxes are levied annually by the Board no later than November 1st and become a lien on December 1st. Taxes are collected by the Town of Huntington ("the Town") and remitted to the District from December to June.

The District also levies the real property taxes for Huntington Public Library ("the Library"), which are collected by the Town and included in the amount remitted to the District. The District remits the Library's share of the tax levy to the Library in installments. These pass-through amounts are not included in the District's real property tax revenues; however, these amounts are recorded in the custodial fund.

Enforcement

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

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

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

I. Use of Estimates

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

J. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days or less from date of acquisition.

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

K. Receivables

Receivables are recorded when the transaction takes place, and the respective revenues are recognized as earned in the district-wide financial statements, and when available in the governmental funds financial statements. Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

L. Inventory

Inventory of food in the school food service fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for the inventory item is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods are consumed.

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

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

M. Other Assets

The District has provided life insurance policies with split dollar provisions for certain former employees. The split dollar provisions provide for the payment of insurance proceeds to the District to the extent of premiums paid upon the demise of the insured or surrender of the policy.

N. Capital Assets and Intangible Assets

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

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

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	$ 50,000	50 years
Site improvements	25,000	20 years
Furniture and equipment	5,000	5-20 years
Leased equipment and fixtures	0	5-6 years

O. Deferred Outflows of Resources

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

P. Short-Term Debt

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

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

Q. Collections in Advance

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

R. Employee Benefits – Compensated Absences

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

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

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

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

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

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

S. Other Benefits

Eligible District employees participate in the TRS or the ERS.

District employees may choose to participate in the District's elective deferred compensation plan established under Internal Revenue Code §403(b).
The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting as set forth by GASB.

T. Long-Term Debt

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

U. Lease Liabilities

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

V. Deferred Inflows of Resources

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

W. Equity Classifications

District-Wide Statements

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

Net investment in capital assets – Consists of net capital and intangible assets (cost less accumulated depreciation/amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, improvements of, and the right-to-use those assets.

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

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

Governmental Funds Statements

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

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

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

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the

excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve. The reserve is accounted for in the general fund.

Retirement Contribution Reserve

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

Employee Benefit Accrued Liability Reserve

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

Capital Reserve

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

Restricted for Debt

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

Restricted for Scholarships

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

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

residual, positive amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

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

Fund Balance Classification

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

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

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

2. ADOPTION OF GASB STATEMENTS

For the year ended June 30, 2026, the District adopted the following GASB Statements, which had no impact on the financial statements beginning net position or fund balance:

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

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

3. FUTURE ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources

measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan.

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

5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

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

Instruction expenditures funded by legal settlement	$	1,431
Advanced Placement exam expenditures funded by fees collected		84,210
Transfer to the capital projects fund funded by capital reserves, as approved by the voters in May 2026		2,115,154
	$	2,200,795

Budgets are adopted annually on a basis consistent with U.S. GAAP, and are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

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

C. Unrestricted Net Position Deficit

At June 30, 2026, the governmental activities reported an unrestricted net position deficit of $299,665,925. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liability and total OPEB liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liabilities on a "pay as you go" basis, has resulted in a negative unrestricted net position. The District remains committed to its employees and retirees by continuing to make all required contributions to the pension plans and including these amounts in its annual budget to cover its share of the costs of postemployment health insurance coverage.

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

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

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

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

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

7. PARTICIPATION IN BOCES

During the year ended June 30, 2026, the District was billed $11,860,022 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $3,634,963. Financial statements for the BOCES are available from the BOCES administrative offices at 507 Deer Park Road, P.O. Box 8007, Huntington Station, New York 11746-9007.

8. DUE FROM STATE AND FEDERAL

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

General Fund	
New York State - general aid	$ 8,734
New York State - excess cost aid	945,238
BOCES aid	1,494,628
	2,448,600
Special Aid Fund	
State and federal grants	2,671,214
Capital Projects Fund	
Dormitory Authority of the State of New York	236,887
Smart Schools Bond Act	44,838
	281,725
Nonmajor Fund	
State and federal food service program reimbursements	293,830
	$ 5,695,369

District management expects these amounts to be fully collectible.

9. DUE FROM OTHER GOVERNMENTS

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

General Fund	
Other districts - tuition and health services	$ 320,287

District management expects these amounts to be fully collectible.

10. OTHER ASSETS

The District has provided life insurance policies with split dollar provisions for certain of its former employees. The split dollar provisions provide for the payment of insurance proceeds to the District upon the demise of the insured or cash surrender value if the policy is cashed in prior to death.

At June 30, 2026, total cash surrender value for these policies amounted to $142,452, which has been recorded as other assets in the general fund. The corresponding revenue to this receivable is included in unavailable revenues and will be recognized in the year that the proceeds are received.

11. INTERFUND TRANSACTIONS

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

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	$ 4,467,334	$ 12,968,840	$ 267,298	$ 2,970,489
Special Aid Fund		3,098,585	361,335	
Capital Projects Fund	11,483,488	1,102,654	2,375,154	267,298
Nonmajor Fund	2,364,439	1,146,412	234,000	
	18,315,261	18,316,491	$ 3,237,787	$ 3,237,787
Custodial Fund	1,230			
	$ 18,316,491	$ 18,316,491		

The District typically transfers from the general fund to other governmental funds per the approved budget. The transfer to the special aid fund was for the District's share of the costs for the summer program for students with disabilities and the state-supported Section 4201 schools. The transfer to the debt service fund was for the payment of principal and interest on long-term outstanding indebtedness. The 2025-2026 budget included a transfer from the general fund to the capital projects fund for $260,000. In addition, per the May 2026 voter authorization, the general fund transferred from the 2022 capital reserve, a total of $2,115,154 to the capital projects fund for improvements. The transfer from the capital projects fund was the return of unused project funding on completed projects. Interfund balances are expected to be repaid within one year.

12. CAPITAL ASSETS

A. Changes

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

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026
Governmental activities				
Capital assets not being depreciated:				
Land	$ 1,545,142	$	$	$ 1,545,142
Construction in progress	3,313,499	2,183,769		5,497,268
Total capital assets not being depreciated	4,858,641	2,183,769	-	7,042,410
Capital assets being depreciated/amortized:				
Buildings and improvements	73,140,278	2,068,536		75,208,814
Site improvements	8,493,528	514,851		9,008,379
Leased equipment	92,460	22,592		115,052
Furniture and equipment	6,116,311	376,995	(18,429)	6,474,877
Total capital assets being depreciated/amortized	87,842,577	2,982,974	(18,429)	90,807,122

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026
Less accumulated depreciation/amortization for:				
Buildings and improvements	$ 46,035,829	$ 1,976,961	$	$ 48,012,790
Site improvements	5,645,309	346,972		5,992,281
Leased equipment	51,318	26,405		77,723
Furniture and equipment	3,785,045	411,689	(18,429)	4,178,305
Total accumulated depreciation/amortization	55,517,501	2,762,027	(18,429)	58,261,099
Total capital assets, being depreciated/amortized, net	32,325,076	220,947	-	32,546,023
Capital assets, net	$ 37,183,717	$ 2,404,716	$ -	$ 39,588,433

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

General support	$ 287,006
Instruction	2,433,116
Food service program	41,905
Total depreciation/amortization expense	$ 2,762,027

B. Lease Assets

The District has entered into various lease arrangements whose terms vary between three and five years with discount rates of 0.98%. These leases are included in leased equipment and fixtures included in the previous table. The District has not provided any residual value guarantees related to these leased capital assets. The District is not aware of any impairments for lease assets.

C. Impairment Losses

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

13. SHORT-TERM DEBT

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

	Maturity	Stated Interest Rate	Balance June 30, 2025	Issued	Redeemed	Balance June 30, 2026
TAN	6/2026	3.25%	$ -	$ 18,000,000	$ (18,000,000)	$ -

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

Interest on the TAN for the year was $404,625. The District received a premium of $98,600, which is included in miscellaneous revenue in the general fund, resulting in an effective net interest rate of 2.4577%.

14. LONG-TERM LIABILITIES

A. Changes

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

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Long-term debt:					
Bonds payable	$ 225,000	$	$ (225,000)	$ -	$
Lease liabilities	42,849	22,592	(25,150)	40,291	23,396
Other long-term liabilities:					
Compensated absences	10,518,617		(739,812)	9,778,805	1,683,357
Workers' compensation	2,051,083	1,250,741	(680,633)	2,621,191	701,950
Total OPEB liability	246,444,258	38,724,797	(10,151,268)	275,017,787	10,151,268
Net pension liability - proportionate share	6,560,880		(4,420,799)	2,140,081	
	$ 265,842,687	$ 39,998,130	$ (16,242,662)	$ 289,598,155	$ 12,559,971

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

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

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

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

B. Lease Liabilities

Lease liabilities is comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2026
Pitney Bowes folder inserter/ postage meter	12/2021	2/2027	0.98%	$ 8,082
Pitney Bowes folder inserter	10/2023	7/2027	0.98%	13,790
Pitney Bowes folder inserter	8/2025	5/2030	0.98%	18,419
				$ 40,291

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	$ 23,396	$ 1,198	$ 24,594
2028	7,326	514	7,840
2029	4,691	307	4,998
2030	4,878	120	4,998
Total	$ 40,291	$ 2,139	$ 42,430

There were no variable payments or other payments made for leases included above. There were no additional lease commitments entered into by the District after June 30, 2026.

C. Interest Expense

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

Interest paid	$ 11,192
Less interest accrued in the prior year	(375)
Total interest expense on long-term debt	$ 10,817

15. PENSION PLANS – NEW YORK STATE

A. General Information

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

B. Provisions and Administration

Teachers' Retirement System

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

Employees' Retirement System

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

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.11% of covered payroll for the TRS' fiscal year ended June 30, 2025. The District's average contribution rate was 15.98% of covered payroll for the ERS' fiscal year ended March 31, 2026.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2026 was $5,495,197 for TRS at the contribution rate of 9.59% and $2,435,089 for ERS at an average contribution rate of 14.54%.

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

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

At June 30, 2026, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of June 30, 2025, for TRS and March 31, 2026 for ERS. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension

asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2026
District's proportionate share of the net pension asset/(liability)	$ 17,234,368	$ (2,140,081)
District's portion of the Plan's net pension liability	0.291069%	0.0379330%
Change in proportion since the prior measurement date	(0.001041)	(0.0003324)

For the year ended June 30, 2026, the District recognized a pension expense (credit) of $(988,866) for TRS and $2,487,274 for ERS. At June 30, 2026, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 9,034,652	$ 1,224,680	$	$
Changes of assumptions	6,822,550	367,357	185,815	
Net difference between projected and actual earnings on pension plan investments			13,459,999	3,837,283
Changes in proportion and differences between the District's contributions and proportionate share of contributions	136,082	509,101	351,379	54,970
District contributions subsequent to the measurement date	5,495,197	777,872		
Total	$ 21,488,481	$ 2,879,010	$ 13,997,193	$ 3,892,253

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense, as follows:

Year Ending June 30,	TRS	ERS
2027	$ 8,666,251	$ 988,135
2028	(3,715,211)	(1,271,020)
2029	(3,942,928)	(692,036)
2030	(850,896)	(816,194)
2031	1,515,766	
Thereafter	323,109	
	$ 1,996,091	$ (1,791,115)

Actuarial Assumptions

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

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

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

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

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

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Demographic assumptions used in the April 1, 2025 actuarial valuation are based on the results of an actuarial experience study completed March 31, 2025. Demographic assumptions are primarily based on system experience over the period April 1, 2020 – March 31, 2025.

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

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

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

Discount Rate

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

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

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

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
District's proportionate share of the net pension asset/(liability)	$ (33,116,057)	$ 17,234,368	$ 59,601,631

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	$ (14,616,166)	$ (2,140,081)	$ 8,290,479

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026, are paid to the system in September, October, and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026, represent employer and employee contributions for the fiscal year ended June 30, 2026, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2026 amounted to $5,495,197 of employer contributions and $899,163 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $777,872 of employer contributions. Employee contributions are remitted monthly.

16. PENSION PLANS - OTHER

Tax Sheltered Annuities

The District has adopted a §403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2026, totaled $887,285 and $2,754,415, respectively.

17. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information About the OPEB Plan

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

Benefits Provided – The District provides medical, Medicare part B reimbursement, major medical, vision, and term life insurance for eligible retirees. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	866
Inactive employees entitled to but not yet receiving benefits	-
Active employees	675
	1,541

B. Total OPEB Liability

The District's total OPEB liability of $275,017,787 was measured as of June 30, 2026 and was determined by an actuarial valuation as of July 1, 2025.

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

Inflation	2.40%	
Salary increases including inflation	2.40%	
Discount rate	4.67%	
Healthcare cost trend rates	5.90%	decreasing to an ultimate rate of 3.80% by 2073
Retirees' share of benefit-related costs	15 - 40%	of projected health insurance premiums for retirees

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

Mortality rates were based on PubT-2016 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2016 Headcount-Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale.

C. Changes in the Total OPEB Liability

Balance at June 30, 2025	$ 246,444,258
Changes for the year	
Service cost	7,494,074
Interest on total OPEB liability	12,944,205
Effect of demographic gains or losses	(6,000,500)
Changes in assumptions or other inputs	24,287,018
Benefit payments	(10,151,268)
	28,573,529
Balance at June 30, 2026	$ 275,017,787

Change in assumptions or other inputs reflect a change in the discount rate from 5.20% in 2025 to 4.67% in 2026.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.67%) or 1 percentage point higher (5.67%) than the current discount rate:

OPEB	1% Decrease 3.67%	Discount Rate 4.67%	1% Increase 5.67%
Total OPEB liability	$ (316,915,036)	$ (275,017,787)	$ (240,936,005)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.90% to 2.80%) or 1 percentage point higher (6.90% to 4.80%) than the current healthcare cost trend rate:

OPEB	1% Decrease 4.90% decreasing to 2.80%	Healthcare Cost Trend Rates 5.90% decreasing to 3.80%	1% Increase 6.90% decreasing to 4.80%
Total OPEB liability	$ (235,182,880)	$ (275,017,787)	$ (325,500,763)

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

For the year ended June 30, 2026, the District recognized OPEB expense of $5,424,915. At June 30, 2026, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,846,960	$ 12,855,847
Changes of assumptions or other inputs	24,279,210	49,225,718
Total	$ 34,126,170	$ 62,081,565

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

Year Ending June 30,	Amount
2027	$ (16,983,292)
2028	(6,763,158)
2029	(3,934,475)
2030	(3,813,798)
2031	2,949,438
Thereafter	589,890
	$ (27,955,395)

18. DEFERRED INFLOWS OF RESOURCES

In the governmental funds financial statements, deferred inflows of resources, at June 30, 2026, consists of that portion of the amounts due for foster tuition, from a legal settlement and from split dollar insurance proceeds. Unavailable revenues, in the general fund at June 30, 2026, total $268,629.

Also included in the governmental funds financial statements as deferred inflows of resources at June 30, 2026, is the amount due from New York State for improvements to educational technology and infrastructure to improve learning and opportunities for students throughout the state (Smart Schools Bond Act) and Dormitory Authority State of New York capital improvement funding. Unavailable revenues, in the capital projects fund at June 30, 2026, total $281,725.

19. RISK MANAGEMENT

A. General Information

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

B. Risk Retention

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for reported and unreported claims which were incurred on or before year end but not reported (IBNR) based on an actuarial valuation which reflects a 3.5% discount rate for each year presented. The valuation assumes the projected liability will be offset with the workers' compensation reserve balance as of June 30 of the prior year. Claims activity is summarized below:

	2025	2026
Unpaid claims at beginning of year	$ 2,539,215	$ 2,051,083
Incurred claims and claim adjustment expenses	434,432	1,250,741
Claim payments	(922,564)	(680,633)
Unpaid claims at year end	$ 2,051,083	$ 2,621,191

At June 30, 2026, the District had $2,986,068 of funds in the workers' compensation reserve, which is equal to the actuarial loss reserve balance with no discount.

20. CHANGES TO OR WITHIN REPORTING ENTITY

During the year ended June 30, 2026, the District reclassified the following major funds to nonmajor funds: school food service fund, debt service fund, extraclassroom activities fund, scholarships fund, and permanent fund. This change is a presentation change made to improve the clarity of the financial statements and has no impact on the overall governmental fund balances. The funds were previously presented as major funds, but management did not elect to continue reporting them as major. The following is a summary of these reporting entity changes:

	As Reported June 30, 2025	Changes to or Within Reporting Entity	As Restated June 30, 2025
Governmental Funds			
Major Funds			
School Food Service	$ 1,048,640	$ (1,048,640)	$ -
Debt Service	212,522	(212,522)	-
Extraclassroom Activities	238,843	(238,843)	-
Scholarships	529,481	(529,481)	-
Permanent Fund	880,318	(880,318)	-
Nonmajor Fund	-	2,909,804	2,909,804
	$ 2,909,804	$ -	$ 2,909,804

21. FUND BALANCE – GOVERNMENTAL FUNDS

A. Fund Balance

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

	General	Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
Nonspendable:				
Inventory	$	$	$ 13,921	$ 13,921
Scholarships			880,318	880,318
	-	-	894,239	894,239
Restricted:				
Workers' compensation	2,986,068			2,986,068
Unemployment insurance	237,356			237,356
Retirement contribution				
TRS	3,678,992			3,678,992
ERS	6,256,076			6,256,076
EBAL	7,023,068			7,023,068
Capital	2,619,718	11,492,459		14,112,177
Debt			212,522	212,522
Scholarships			603,803	603,803
	22,801,278	11,492,459	816,325	35,110,062
Assigned:				
Appropriated FB	1,850,000			1,850,000
Unappropriated FB	704,615	228,186	1,425,649	2,358,450
	2,554,615	228,186	1,425,649	4,208,450
Unassigned: FB	6,440,556			6,440,556
Total Fund Balance	$ 31,796,449	$ 11,720,645	$ 3,136,213	$ 46,653,307

B. Restricted for Capital Reserves

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

Date Created	May 20, 2008	May 21, 2013	May 16, 2017	May 15, 2018	May 17, 2022	May 20, 2025
Number of Years to Fund	8	8	8	5	10	10
Maximum Funding	$10,000,000	$10,000,000	$12,500,000	$ 1,500,000	$15,000,000	$15,000,000
General Fund						
Funding Provided	$10,000,000	$10,000,000	$12,500,000	$ 1,500,000	$15,000,000	$ 1,072,230
Interest Earnings	34,962	84,673	88,257	12,162	389,743	
Use of Reserve	(10,034,962)	(10,084,673)	(12,588,257)	(1,512,162)	(13,842,255)	
Total General Fund	-	-	-	-	1,547,488	1,072,230
Capital Projects Fund						
Funding Provided	10,034,962	10,084,673	12,588,257	1,512,162	13,842,255	
Use of Reserve	(9,983,226)	(9,948,016)	(11,561,039)	(1,329,938)	(3,747,631)	
Total Capital Projects Fund	51,736	136,657	1,027,218	182,224	10,094,624	-
Balance as of June 30, 2026	$ 51,736	$ 136,657	$ 1,027,218	$ 182,224	$11,642,112	$ 1,072,230

22. FUND BALANCE APPROPRIATED FOR THE 2026-2027 BUDGET

A. Restricted Fund Balance – Appropriated Reserves

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

Workers' Compensation	$ 790,876
Unemployment	90,000
Retirement Contributions	
Teachers' retirement system	461,080
Employees' retirement system	907,420
Employee Benefit Accrued Liability	318,672
	$ 2,568,048

B. Assigned - Appropriated Fund Balance

The amount of $1,850,000 has been appropriated to reduce taxes for the year ending June 30, 2027.

23. TAX ABATEMENTS

The Suffolk County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The amount of property tax revenue that was reduced as a result of these programs is $327,079. The District received PILOT payments totaling $119,675.

24. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

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

Restricted Fund Balance	
Capital Projects Fund	
Capital projects	$ 2,515,492
Assigned: Unappropriated Fund Balance	
General Fund	
General support	331,451
Instruction	373,164
	704,615
Capital Projects Fund	
Capital projects	89,487
	$ 3,309,594

B. Grants

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

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. In addition to those actions, there is a matter related to a claim filed under the Child Victims Act and Adult Survivors Act, being handled by legal counsel. Some lawsuits seek damages that may be in excess of the District's insurance coverage. Management has determined that it is not possible to determine with probability the outcome of legal matters, and no loss is considered probable and reasonably estimatable. In the event there is a financial impact to the District. In the event there is a financial impact to the District, these charges would be funded through budgetary appropriations or bonding.

25. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 16, 2026, the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements, except for the following:

Issuance of TANs

On October 8, 2026, the District issued tax anticipation notes in the amount of $19,000,000, which are due June 18, 2027, and bear interest at the stated rate of 4.00%. The District received premiums of $26,026 with the borrowing to yield an effective interest rate of 3.8020%.

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

	Original Budget	Final Budget	Final Budget Variance with Original Budget	Actual	Final Budget Variance with Actual
REVENUES					
Local Sources					
Real property taxes	$ 116,430,841	$ 116,430,841	$ -	$ 116,430,841	$ -
Other tax items	4,101,197	4,101,197	-	4,114,948	13,751
Charges for services	365,300	365,300	-	462,414	97,114
Use of money and property	297,500	297,500	-	1,572,763	1,275,263
Sale of property and compensation for loss	5,000	5,000	-	3,317	(1,683)
Miscellaneous	495,000	580,641	85,641	1,194,600	613,959
Interfund revenue	7,500	7,500	-	3,217	(4,283)
Total Local Sources	121,702,338	121,787,979	85,641	123,782,100	1,994,121
State Sources	32,259,586	32,259,586	-	31,837,434	(422,152)
Federal Sources			-	628,526	628,526
Total Revenues	153,961,924	154,047,565	85,641	156,248,060	2,200,495
OTHER FINANCING SOURCES					
Operating Transfers In	332,522	332,522	-	267,298	(65,224)
Total Revenues and Other Sources	154,294,446	154,380,087	85,641	156,515,358	$ 2,135,271
APPROPRIATED FUND BALANCE					
Prior Years' Surplus	1,650,000	1,650,000	-		
Prior Year's Encumbrances	606,491	606,491	-		
Appropriated Reserves	1,831,707	3,946,861	2,115,154		
Total Appropriated Fund Balance	4,088,198	6,203,352	2,115,154		
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	$ 158,382,644	$ 160,583,439	$ 2,200,795		

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

	Original Budget	Final Budget	Final Budget Variance with Original Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES						
General Support						
Board of education	$ 70,750	$ 75,750	$ 5,000	$ 71,376	$	$ 4,374
Central administration	389,832	389,832	-	386,203	5	3,624
Finance	1,640,134	1,624,145	(15,989)	1,445,303		178,842
Staff	1,092,431	1,172,431	80,000	1,075,430		97,001
Central services	11,148,879	11,638,425	489,546	11,274,235	331,446	32,744
Special items	1,658,287	1,658,287	-	1,637,787		20,500
Total General Support	16,000,313	16,558,870	558,557	15,890,334	331,451	337,085
Instruction						
Administration & improvement	6,325,489	6,423,565	98,076	6,186,300	54,464	182,801
Teaching - regular school	41,675,395	41,378,942	(296,453)	39,642,050	239,609	1,497,283
Programs for students with disabilities	26,060,616	25,696,928	(363,688)	24,595,295		1,101,633
Occupational education	2,169,578	2,169,578	-	2,114,237		55,341
Teaching - special schools	714,276	713,750	(526)	541,825		171,925
Instructional media	3,680,840	4,124,539	443,699	4,040,435	29,371	54,733
Pupil services	5,879,364	6,026,384	147,020	5,905,823	49,720	70,841
Total Instruction	86,505,558	86,533,686	28,128	83,025,965	373,164	3,134,557
Pupil Transportation	13,135,006	12,858,835	(276,171)	11,887,521		971,314
Employee Benefits	41,353,767	41,131,952	(221,815)	39,862,977		1,268,975
Debt Service						
Principal	-	25,150	25,150	25,150		-
Interest	500,000	502,192	2,192	406,817		95,375
Total Debt Service	500,000	527,342	27,342	431,967	-	95,375
Total Expenditures	157,494,644	157,610,685	116,041	151,098,764	704,615	5,807,306
OTHER FINANCING USES						
Operating Transfers Out	888,000	2,972,754	2,084,754	2,970,489		2,265
Total Expenditures and Other Financing Uses	$ 158,382,644	$ 160,583,439	$ 2,200,795	154,069,253	$ 704,615	$ 5,809,571
Net Change in Fund Balance				2,446,105		
Fund Balance - Beginning of Year				29,350,344		
Fund Balance - End of Year				$ 31,796,449		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

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

Budgetary Basis of Accounting

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

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

General Fund Original Budget to Final Budget Highlights

Fund Balance

The following significant, additional fund balance amounts were appropriated during the year:

Appropriated Reserves:		
In May 2026 the voters approved a proposition to expend from the 2022 Capital Reserve for district-wide capital improvements.	$	2,115,154

Expenditures

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

Operating Transfers Out:	
In May 2026 the voters approved a proposition to expend from the 2022 Capital Reserve Fund for district-wide capital improvements.	2,115,154

General Fund Budget to Actual Highlights

Final Budget Compared to Actual Revenues

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

Use of Money and Property:	
Revenues were more than anticipated due to higher interest rates.	1,275,263
Miscellaneous Revenue:	
Revenues were higher than anticipated related to refunds from BOCES and TAN premiums.	613,959
Federal Sources:	
E-Rate funding was the majority of the revenues received.	623,209

Final Budget Compared to Actual Expenditures

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

Instruction: Teaching Regular School:	
Lower staff salaries related to attrition and staffing consolidations were primary in cost reductions and inclusion of salaries in the budget for which there might be a potential loss of federal funding.	1,497,283
Instruction: Programs for Students with Disabilities:	
Tuition is an area that fluctuates significantly, which resulted in a positive variance.	1,101,633
Pupil Transportation:	
Realized significant transportation savings as a result of route consolidations and lower than expected total contract costs.	971,314
Employee Benefits:	
Lower than expected total health insurance benefit costs.	1,268,975

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

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net pension asset/(liability)										
District's proportion	0.291069%	0.292110%	0.292605%	0.281341%	0.284650%	0.283952%	0.283530%	0.286414%	0.285776%	0.278921%
District's proportionate share	$ 17,234,368	$ 8,715,405	$ (3,346,182)	$ (5,398,632)	$ 49,327,167	$ (7,846,369)	$ 7,366,131	$ 5,179,123	$ 2,172,184	$ (2,987,364)
District's covered payroll	$ 57,153,858	$ 55,738,166	$ 56,335,743	$ 50,454,691	$ 48,314,281	$ 48,778,002	$ 47,923,393	$ 47,097,886	$ 45,649,714	$ 44,582,849
District's proportionate share as a percentage of its covered payroll	30.15%	15.64%	5.94%	10.70%	102.10%	16.09%	15.37%	11.00%	4.76%	6.70%
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%
Discount Rate	6.95%	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%

Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net pension asset/(liability)										
District's proportion	0.0379330%	0.0382654%	0.0381061%	0.0387747%	0.0368587%	0.0378771%	0.0398610%	0.0414114%	0.0426710%	0.0398755%
District's proportionate share	$ (2,140,081)	$ (6,560,880)	$ (5,610,767)	$ (8,314,867)	$ 3,013,044	$ (37,716)	$ (10,555,321)	$ (2,934,124)	$ (1,377,182)	$ (3,746,795)
District's covered payroll	$ 14,749,074	$ 14,249,514	$ 13,296,338	$ 13,928,569	$ 11,869,026	$ 12,158,781	$ 12,235,901	$ 12,120,143	$ 12,371,765	$ 12,387,920
District's proportionate share as a percentage of its covered payroll	14.51%	46.04%	42.20%	59.70%	25.39%	0.31%	86.27%	24.21%	11.13%	30.25%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
Discount Rate	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

HUNTINGTON UNION FREE SCHOOL DISTRICT
Schedule of District Pension Contributions (Unaudited)
Last Ten Fiscal Years

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 5,495,197	$ 5,778,255	$ 5,440,045	$ 5,796,948	$ 4,884,355	$ 4,604,351	$ 4,321,731	$ 5,026,028	$ 4,615,593	$ 5,307,536
Contributions in relation to the contractually required contribution	5,495,197	5,778,255	5,440,045	5,796,948	4,884,355	4,604,351	4,321,731	5,026,028	4,615,593	5,307,536
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 57,301,324	$ 57,153,858	$ 55,738,166	$ 56,335,743	$ 50,454,691	$ 48,314,281	$ 48,778,002	$ 47,923,393	$ 47,097,886	$ 45,649,714
Contributions as a percentage of covered payroll	10%	10%	10%	10%	10%	10%	9%	10%	10%	12%

Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 2,435,089	$ 2,179,669	$ 1,755,709	$ 1,407,101	$ 1,684,506	$ 1,839,295	$ 1,718,799	$ 1,698,507	$ 1,812,104	$ 1,750,779
Contributions in relation to the contractually required contribution	2,435,089	2,179,669	1,755,709	1,407,101	1,684,506	1,839,295	1,718,799	1,698,507	1,812,104	1,750,779
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 16,742,873	$ 15,925,173	$ 15,923,035	$ 13,633,709	$ 12,956,315	$ 12,796,524	$ 12,179,219	$ 12,595,831	$ 12,419,527	$ 11,829,467
Contributions as a percentage of covered payroll	15%	14%	11%	10%	13%	14%	14%	13%	15%	15%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability									
Service cost	$ 7,494,074	$ 10,694,232	$ 11,071,054	$ 9,500,012	$ 13,319,288	$ 13,742,349	$ 10,184,941	$ 11,368,279	$ 11,037,164
Interest on total OPEB liability	12,944,205	11,279,354	9,782,307	8,626,492	7,132,445	6,957,802	9,298,198	8,266,350	7,916,896
Effect of demographic gains or losses	(6,000,500)	-	18,535,455	-	(37,912,295)	-	(1,487,845)	-	(301,407)
Changes of assumptions or other inputs	24,287,018	(47,314,116)	(11,268,711)	12,597,121	(57,978,328)	2,606,493	35,306,417	(20,744,735)	-
Benefit payments	(10,151,268)	(8,968,488)	(8,531,926)	(7,424,863)	(7,124,435)	(7,891,475)	(7,465,956)	(7,718,720)	(6,957,478)
Net change in total OPEB liability	28,573,529	(34,309,018)	19,588,179	23,298,762	(82,563,325)	15,415,169	45,835,755	(8,828,826)	11,695,175
Total OPEB liability, beginning	246,444,258	280,753,276	261,165,097	237,866,335	320,429,660	305,014,491	259,178,736	268,007,562	256,312,387
Total OPEB liability, ending	$ 275,017,787	$ 246,444,258	$ 280,753,276	$ 261,165,097	$ 237,866,335	$ 320,429,660	$ 305,014,491	$ 259,178,736	$ 268,007,562
Covered employee payroll	$ 61,024,265	$ 62,133,196	$ 62,133,196	$ 54,980,879	$ 54,980,879	$ 53,662,088	$ 53,662,088	$ 57,896,983	$ 57,896,983
Total OPEB liability as a percentage of covered employee payroll	450.67%	396.64%	451.86%	475.01%	432.63%	597.12%	568.40%	447.65%	462.90%
Discount rate	4.67%	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	5.90% to 3.80% by 2073	6.40% to 3.80% by 2073	6.40% to 3.80% by 2073	6.40% to 3.80% by 2073	5.10% to 4.10% over 54 years	6.60% to 4.10% over 56 years	6.60% to 4.10% over 56 years	7.50% to 4.50% by 2023	7.50% to 4.50% by 2023

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

Notes to Required Supplementary Information

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

HUNTINGTON UNION FREE SCHOOL DISTRICT
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2026

	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
ASSETS						
Cash and cash equivalents						
Unrestricted	$ 1,396,094	$	$ 255,318	$	$	$ 1,651,412
Restricted		212,522				212,522
Receivables						
Accounts receivable			21,100			21,100
Due from other funds				1,484,121	880,318	2,364,439
Due from state and federal	293,830					293,830
Inventory	13,921					13,921
Total Assets	$ 1,703,845	$ 212,522	$ 276,418	$ 1,484,121	$ 880,318	$ 4,557,224
LIABILITIES						
Payables						
Accounts payable	$ 89,752	$	$ 17,514	$	$	$ 107,266
Accrued liabilities	7,286					7,286
Due to other funds	266,094			880,318		1,146,412
Due to other governments	455					455
Unearned credits: collections in advance	159,592					159,592
Total Liabilities	523,179	-	17,514	880,318	-	1,421,011
FUND BALANCES						
Nonspendable	13,921				880,318	894,239
Restricted		212,522		603,803		816,325
Assigned	1,166,745		258,904			1,425,649
Total Fund Balances	1,180,666	212,522	258,904	603,803	880,318	3,136,213
Total Liabilities and Fund Balances	$ 1,703,845	$ 212,522	$ 276,418	$ 1,484,121	$ 880,318	$ 4,557,224

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

	School Food Service	Debt Service	Extraclassroom Activities	Scholarships	Permanent	Total Governmental Funds
REVENUES						
Use of money and property	$ 21,520	$	$ 487	$ 62,231	$	$ 84,238
Miscellaneous	13,656		261,241	27,941		302,838
State sources	548,781					548,781
Federal sources	2,170,357					2,170,357
Sales	86,797					86,797
Total Revenues	2,841,111	-	261,728	90,172	-	3,193,011
EXPENDITURES						
Instruction			241,667	15,850		257,517
Debt service						
Principal		225,000				225,000
Interest		9,000				9,000
Food service program	2,709,085					2,709,085
Total Expenditures	2,709,085	234,000	241,667	15,850	-	3,200,602
Excess (Deficiency) of Revenues Over Expenditures	132,026	(234,000)	20,061	74,322	-	(7,591)
OTHER FINANCING SOURCES AND (USES)						
Operating transfers in		234,000				234,000
Total Other Financing Sources and (Uses)	-	234,000	-	-	-	234,000
Net Change in Fund Balances	132,026	-	20,061	74,322	-	226,409
Fund Balances - Beginning of Year, as Previously Reported	-	-	-	-	-	-
Change to or Within Reporting Entity	1,048,640	212,522	238,843	529,481	880,318	2,909,804
Fund Balances - Beginning of Year, as Restated	1,048,640	212,522	238,843	529,481	880,318	2,909,804
Fund Balances - End of Year	$ 1,180,666	$ 212,522	$ 258,904	$ 603,803	$ 880,318	$ 3,136,213

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 157,776,153
Additions:		
Prior year's encumbrances		606,491
Original Budget		158,382,644
Budget revisions		2,200,795
Final Budget		$ 160,583,439

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026-2027 voter-approved expenditure budget		$ 161,013,904
Maximum allowed (4% of 2026-2027 budget)		$ 6,440,556
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 2,554,615	
Unassigned fund balance	6,440,556	
		$ 8,995,171
Less:		
Appropriated fund balance	1,850,000	
Encumbrances	704,615	
Total adjustments		2,554,615
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		$ 6,440,556
Actual Percentage		4.00%

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

PROJECT TITLE	Budget June 30, 2025	Budget June 30, 2026	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance	Methods of Financing Proceeds of Debt	Methods of Financing State Aid	Methods of Financing Local Sources	Methods of Financing Total	Fund Balance June 30, 2026	
Donation - Mock Trial Theater	$ 40,000	$ 40,000	$ 30,035	$	$ 30,035	$ 9,965	$	$	$ 40,000	$ 40,000	$ 9,965	*
2017 - 2018 Interfund Transfer	100,000	100,000	92,790		92,790	7,210			100,000	100,000	7,210	*
2022 Flower Hill Solar Installation #002-024	418,756	400,681	400,559		400,559	122			400,681	400,681	122	*
2022 Flower Hill Primary Main Electrical Replacement #002-027	265,078	265,078	146,705	82,758	229,463	35,615			265,078	265,078	35,615	
2022 Flower Hill Primary Carbon Monoxide Detection #002-025	30,000	30,000	2,639	15,501	18,140	11,860			30,000	30,000	11,860	
2022 Jefferson Primary Main Electrical Replacement #013-021	394,922	872,314	468,023	343,747	811,770	60,544			872,314	872,314	60,544	
2022 Southdown Primary Carbon Monoxide Detection #003-024	30,000	30,000	10,840	1,544	12,384	17,616			30,000	30,000	17,616	
2022 Washington Primary Boiler Replacement #009-024	890,510	890,510	864,848	12,106	876,954	13,556			890,510	890,510	13,556	
2022 Jack Abrams Partial Roof #017-022	940,000	940,000	685,316		685,316	254,684			940,000	940,000	254,684	
2022 MS Parking Lot & Gym Reconstruction II #014-032	375,000	375,000	219,275		219,275	155,725			375,000	375,000	155,725	
2022 HS Partial Roof IV #001-051	3,714,490	3,714,490	3,291,271	184,338	3,475,609	238,881			3,714,490	3,714,490	238,881	
2023 HS Lighting, Turf Field #001-053	985,000	985,000	153,094	344,762	497,856	487,144			985,000	985,000	487,144	
2023 Flower Hill Boiler #002-028	763,000	763,000	456,920	191,370	648,290	114,710			763,000	763,000	114,710	
2023 Southdown Boiler #003-026	837,000	837,000	487,558	231,788	719,346	117,654			837,000	837,000	117,654	
2023 Southdown Main Electric #003-027	350,000	350,000	62,032	108,532	170,564	179,436			350,000	350,000	179,436	
2023 Washington Main Electric #009-026	800,000	800,000	306,233	142,867	449,100	350,900			800,000	800,000	350,900	
2023 Finley MS Science Classroom/Prep Room #014-033	800,000	800,000	41,244	705,981	747,225	52,775			800,000	800,000	52,775	
2023 Jack Abrams Roof #017-024	1,400,000	1,400,000	53,301	1,272,258	1,325,559	74,441			1,400,000	1,400,000	74,441	
2024 Jack Abrams Cafeteria AC #017-901	450,000	450,000		386,471	386,471	63,529			450,000	450,000	63,529	
2024 Jack Abrams Roof #017-902	1,000,000	1,000,000	890	480,000	480,890	519,110			1,000,000	1,000,000	519,110	
2024 HS Auditorium Remodel #001-901	2,690,800	2,690,800		106,477	106,477	2,584,323			2,690,800	2,690,800	2,584,323	
2024 HS Bathrooms Remodel #001-902	425,000	425,000		3,750	3,750	421,250			425,000	425,000	421,250	
2025 HS Fire Walls, Stairs/Smoke Separation #001-054	622,500	622,500		2,765	2,765	619,735			622,500	622,500	619,735	
2025 HS Outside Field Bathrooms #001-055	1,600,000	1,470,000			-	1,470,000			1,470,000	1,470,000	1,470,000	
2025 Flower Hill Stage Egress and Kitchen Doors #002-029	120,000	130,000		2,180	2,180	127,820			130,000	130,000	127,820	
2025 Southdown Stage Egress and Kitchen Doors #003-028	120,000	125,000		5,680	5,680	119,320			125,000	125,000	119,320	

See Paragraph on Other Information Included in Auditor's Report

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

PROJECT TITLE	Budget June 30, 2025	Budget June 30, 2026	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance	Methods of Financing Proceeds of Debt	Methods of Financing State Aid	Methods of Financing Local Sources	Methods of Financing Total	Fund Balance June 30, 2026	
2025 Woodhull Kitchen Doors												
#004-025	$ 20,000	$ 20,000	$	$	$ -	$ 20,000	$	$	$ 20,000	$ 20,000	$ 20,000	
2025 Washington Stage Egress and Kitchen Doors												
#009-027	120,000	125,000		2,465	2,465	122,535			125,000	125,000	122,535	
2025 Jefferson Kitchen Doors												
#013-023	20,000	130,000			-	130,000			130,000	130,000	130,000	
2025 Jack Abrams Partial Roof and Kitchen Doors												
#017-027	1,020,000	1,020,000		5,857	5,857	1,014,143			1,020,000	1,020,000	1,014,143	
2026 High School Summer Project												
#001-058		1,524,312			-	1,524,312			1,524,312	1,524,312	1,524,312	
2026 Flower Hill Summer Project												
#002-030		18,732			-	18,732			18,732	18,732	18,732	
2026 Woodhull Intermediate												
'#004-026		374,642			-	374,642			374,642	374,642	374,642	
2026 Washington Primary												
#009-028		18,732			-	18,732			18,732	18,732	18,732	
2026 Finley MS												
#014-035		168,277			-	168,277			168,277	168,277	168,277	
2026 Jack Abrams												
#017-028		10,459			-	10,459			10,459	10,459	10,459	
2022 - 2023 Interfund Transfer	625,000	147,608	147,608		147,608	-			147,608	147,608	-	
2023 - 2024 Interfund Transfer	250,000	250,000			-	250,000			250,000	250,000	250,000	*
2024 - 2025 Interfund Transfer	250,000	250,000			-	250,000			250,000	250,000	250,000	
2025 - 2026 Interfund Transfer		260,000			-	260,000			260,000	260,000	260,000	
DASNY - HS Library Media Center												
#009-537	128,000	128,000	127,720		127,720	280		128,000		128,000	280	
DASNY - HS Press Box												
#015-768	288,801	288,801	288,891		288,891	(90)		250,000	38,801	288,801	(90)	
DASNY - Jack Abrams Library												
#021-574	117,443	117,443	117,443		117,443	-		50,000	67,443	117,443	-	
DASNY - MS Library												
#025-085		125,000		101,147	101,147	23,853		125,000		125,000	23,853	
Smart Schools Bond Act	880,067	880,067	880,067		880,067	-		880,067		880,067	-	
Lease Asset		22,592		22,592	22,592	-	22,592			22,592	-	
	$ 23,881,367	$ 26,386,038	$ 9,335,302	$ 4,756,936	$ 14,092,238	$ 12,293,800	$ 22,592	$ 1,433,067	$ 24,930,379	$ 26,386,038	12,293,800	
										Less: Transfer to general fund	(267,298)	*
										Less: Smart Schools Bond Act not recognized	(44,831)	
										Less: DASNY grant not recognized	(261,026)	
											$ 11,720,645	

HUNTINGTON UNION FREE SCHOOL DISTRICT
Schedule of Net Investment in Capital Assets (Unaudited)
June 30, 2026

Capital assets, net	$ 39,588,433
Deduct:	
Capital related accounts payable	(156,008)
Short-term portion of lease liabilities	(23,396)
Long-term portion of lease liabilities	(16,895)
	(196,299)
Net investment in capital assets	$ 39,392,134

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Huntington Union Free School District
Huntington Station, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Huntington Union Free School District ("the District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Huntington Union Free School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Huntington Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Huntington Union Free School District's internal control.

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

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

Report on Compliance and Other Matters

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

We noted certain matters that we have reported to the Board of Education, Audit Committee, and management of Huntington Union Free School District in a separate letter dated October 16, 2026.

Purpose of This Report

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

Cullen & Danowski, LLP

Port Jefferson Station, New York
October 16, 2026