Seaford Union Free School District, New York

Financial Statements and Supplementary Information

Year Ended June 30, 2026

Seaford Union Free School District, New York

Table of Contents

	Page No.
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Fiduciary Fund	
Statement of Changes in Fiduciary Net Position	24
Notes to Financial Statements	25
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	54
Notes to Budgetary Comparison Schedule	55
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	58
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	60
Schedule of Contributions	60
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	62
Schedule of Contributions	62
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Schedule of Revenues and Other Financing Sources Compared to Budget	64
Schedule of Expenditures and Other Financing Uses Compared to Budget	66
Capital Projects Fund	
Project-Length Schedule	69
Non-Major Governmental Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	73
Section 1318 of Real Property Tax Law Limit Calculation	73
Schedule of Net Investment in Capital Assets	74
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*	75

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Board of Education of the
Seaford Union Free School District, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 the 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 ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Implementation of New Accounting Standard

As discussed in Note 2C to the financial statements, during the year ended June 30, 2026, the School District implemented Governmental Accounting Standards Board Statement No. 103, *"Financial Reporting Model Improvements".* The implementation of this standard resulted in changes to the presentation of certain financial statement information, including management's discussion and analysis, unusual or infrequent items, and other applicable financial reporting model presentation requirements. Our opinions are not modified with respect to this matter.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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 School 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 School 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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 and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 6, 2026

The purpose of management's discussion and analysis ("MD&A") is to help Seaford Union Free School District, New York ("School District") residents and other readers understand what the financial statements and notes in this financial report say about the School District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by management's knowledge of the School District's finances.

Overview of the Financial Statements

The School District's financial report contains basic financial statements. Those financial statements present the School District's finances at both an overall and a detailed level. The Statement of Net Position and Statement of Activities (e.g. the *district-wide financial statements*) cover the School District's governmental activities. (See the diagram below)

- *Governmental activities* comprise the School District's most basic functions, such as instruction, pupil transportation, community services, cost of food sales, and other support. Governmental activities primarily are financed by real property taxes and federal and state grants.

The remaining basic financial statements present the School District's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. Fund financial statements can be reported using up to three groups of funds as follows:

- *Governmental fund financial statements* report the School District's governmental activities on a current-financial-resources and modified-accrual basis. Accordingly, they focus on near-term inflows and outflows of spendable resources and on the fund balances available at year end. The governmental fund statements differ from the district-wide statements because they do not report capital assets, certain long-term liabilities, and certain deferred outflows and inflows of resources. Reconciliations accompanying the governmental fund statements explain the differences between the fund-level information and the governmental activities reported in the district-wide financial statements.

- *Proprietary fund financial statements* report all of the business-type activities (enterprise funds) and the services provided to School District departments (internal service funds). The School District had no such activity to report in this fund category.

- *Fiduciary fund financial statements* report the School District's Custodial Fund, which accounts for real property taxes and payments in lieu of taxes collected for and remitted to other governments. Fiduciary activities are excluded from the district-wide financial statements because the resources are not available to support the School District's programs.

Contents of the Basic Financial Statements

The next section of this financial report contains *notes to financial statements*, which delve deeper into the School District's finances as reported in the financial statements. The information in the notes is as important to understanding the School District's finances as the information in the financial statements. The School District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

The district-wide financial statements use the *economic resources measurement focus* and *accrual basis of accounting*. (See table below) Accordingly, these statements generally report the following types of financial statement elements:

- *Assets* - resources the School District controls, from short-term assets like cash to long-term assets like capital assets.
- *Liabilities* - amounts the School District owes, from short-term liabilities such as accounts payable to long-term liabilities such as outstanding debt, compensated absences, pension and postemployment benefit liabilities.
- *Deferred outflows/inflows of resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses* - inflows and outflows of economic resources, respectively, related to the current year.

The governmental fund financial statements use the *current financial resources measurement focus* and *modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. (See table below)

The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on construction or acquisition of capital assets.

Types of Information Reported in the Financial Statements

	Financial Statements		
	District - Wide	**Fiduciary Fund**	**Governmental Fund**
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short-term and long-term		Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the entity during the year that relate to that year, regardless of when cash is		Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/ expenditures	All types of expenses/deductions that flow out of the entity during the year that relate to that year, regardless of when cash is paid		Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the entity during the year that relate to a future year		Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focus and basis of accounting can be found in the summary of significant accounting policies in the notes to financial statements.

Financial Summary

Statement of Net Position

	June 30, 2026	June 30, 2025	Total % Change 2026-2025
ASSETS			
Current and Other Assets	$ 44,206,547	$ 42,953,137	2.9%
Capital Assets, net	34,143,539	30,697,971	11.2%
Total Assets	78,350,086	73,651,108	6.4%
DEFERRED OUTFLOWS OF RESOURCES	27,559,658	17,185,470	60.4%
LIABILITIES			
Current Liabilities	12,481,343	12,129,393	2.9%
Long-term Liabilities	121,015,152	108,270,688	11.8%
Total Liabilities	133,496,495	120,400,081	10.9%
DEFERRED INFLOWS OF RESOURCES	25,256,596	28,570,757	(11.6%)
NET POSITION			
Net Investment in Capital Assets	25,119,432	20,055,678	25.2%
Restricted	28,952,387	22,504,222	28.7%
Unrestricted	(106,915,166)	(100,694,160)	(6.2%)
Total Net Position	$ (52,843,347)	$ (58,134,260)	9.1%

The table above shows that as of June 30, 2026, the School District's total net position for governmental activities (assets and deferred outflows minus liabilities and deferred inflows) was ($52.8 million), an increase of $5.3 million or 9.1% compared with 2025.

Governmental Activities

Current and other assets increased by $1,253,410 due to an increase in the net pension asset - TRS of $5,122,885 coupled with the use of reserves for funding roof and security capital projects.

Capital assets increased by $3,445,568, primarily due to ongoing capital project activity, which is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

Current liabilities increased by $351,950 primarily due to year-end payables for invoices relating to the 2025-2026 fiscal year and were satisfied after June 30, 2026.

Deferred outflows of resources increased by $10,374,188 primarily due to another year of our obligation on Other Post-Employment Benefits for our employees calculated with an updated discount rate and differences between expected and actual experience. Deferred inflows of resources decreased by $3,314,161 primarily due to earnings on pension plan investments of the retirement systems.

Long-term liabilities increased by $12,744,464 from the previous year. The increase was primarily attributable to a net increase in compensated absences and the OPEB liability, These changes were partially offset by a net decrease in the pension-related liability and workers compensation claims liability. The School District's long-term financing activity, including the retirement of outstanding debt, is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

A large component of the School District's net position ($25,119,432) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to the students, and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position ($28,952,387) reflects amounts restricted for specific purposes, i.e., capital projects, debt service, workers' compensation benefits, retirement system contributions, net pension asset – TRS and special purposes, etc. There is a negative balance of unrestricted net position of ($106,915,166), primarily due to the recognition of pension and postemployment benefit liabilities.

Changes in Net Position

	June 30, 2026	June 30, 2025	Total % Change 2026-2025
REVENUES			
Program Revenue:			
Charges for Services	$ 1,718,776	$ 2,091,324	(17.8%)
Operating Grants and Contributions	3,463,090	2,895,552	19.6%
Capital Grants and Contributions	20,603	1,367,226	(98.5%)
Total Program Revenues	5,202,469	6,354,102	(18.1%)
General Revenue:			
Property Taxes and Tax Items	62,261,242	60,764,921	2.5%
Use of Money and Property	1,108,619	312,620	254.6%
Unrestricted State Aid	18,385,073	18,971,493	(3.1%)
Other	319,276	373,142	(14.4%)
Total General Revenues	82,074,210	80,422,176	2.1%
Total Revenues	87,276,679	86,776,278	0.6%
EXPENSES			
General support	11,433,183	10,302,509	11.0%
Instruction	64,221,308	59,911,001	7.2%
Pupil transportation	4,511,578	3,860,244	16.9%
Community services	13,590	13,230	2.7%
Cost of food sales	1,119,958	902,289	24.1%
Other	276,174	437,576	(36.9%)
Interest	409,975	489,754	(16.3%)
Total Expenses	81,985,766	75,916,603	8.0%
Change in Net Position	5,290,913	10,859,675	(51.3%)
Net position - Beginning	(58,134,260)	(68,993,935)	15.7%
Net position - Ending	$ (52,843,347)	$ (58,134,260)	9.1%

The table above shows that revenues exceeded expenses in the current year, resulting in an increase in net position. The total net position of the School District's governmental activities was ($52.8 million), an increase of $5.3 million or 9.1% from 2025. The following detailed analyses explain the significant changes in the School District's financial position and results of operations from the prior year and the primary factors that affected those changes.

Detailed Analyses

Governmental Activities

Revenues:

The School District's total program revenues saw a decrease of $1,151,633, general revenues increased by $1,652,034 for a total increase of $500,401. The primary drivers of these changes were:

- Capital grants and contributions decreased by $1,346,623. The School District received a $1,000,000 State grant in the prior year for the construction of a Comfort Station and walking path at the High School. Additionally, the School District received the last payment in the 2024-2025 fiscal year of a Smart School Bond Act which totaled approximately $100,000 and a one-time receipt from a Rhoads Legislative Grant of $247,000.

- Real property taxes increased by $1,659,859. The amount of this increase was the result of compliance with New York State's ("NYS") Tax Cap calculation for our levy increase approved by the voters. The tax increase reflects a 2.49% increase which was below the tax cap calculation of 2.68%.

- Unrestricted State aid decreased by $586,420. The decrease in actual state aid is largely related to what was projected as being received within the adopted budget compared to actual amounts recognized in state aid. The categories of these differences relate to both the Building Aid and Excess Cost Aid. Projections were higher than actual revenue received from NYS.

- Unrestricted Use of Money and Property increased by $795,999. The amount is attributable to a more aggressive investment approach utilizing NYCLASS for higher yields of interest. Cash Flow projections are used as a management tool throughout the year especially as it relates to our reserves and short-term borrowing.

Expenses:

The School District's expenses increased by $6,069,163. Major factors contributing to the increase included:

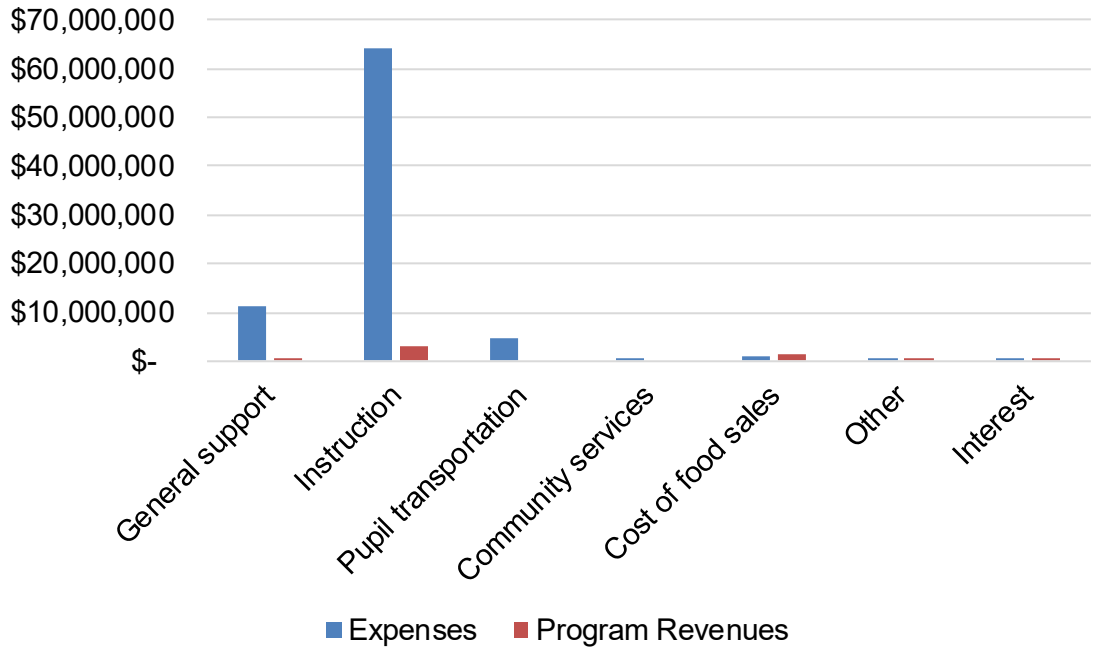
- General support increased by $1,130,674. Within General Support is the maintenance of all School District buildings and grounds, including utilities, which recognized a larger increase over the last year. Administrative and support staff salaries with attributable employee benefits are expensed within General Support. All ancillary services relating to operations are found within General Support.

- Instruction increased by $4,310,307. The majority of the School District's budget is categorized within instruction. Salaries increased by 1.75% and also reflect step changes for the majority of our staff. The increase also includes the related employee benefits for staff, as well as instructional supplies and programs enhancements, such as a new math program and instructional software.

- Cost of food sales increased by $217,669. The School District implemented NYS's Universal Free School Meals Program beginning July 1, 2025. The participation of students has greatly increased food sales and accordingly the cost of food sales has increased proportionately.

- Pupil transportation increased by $651,334. The School District went out with a request for proposal for its transportation services contract beginning with the 2025-2026 fiscal year. This process resulted in a large increase due to bus driver shortages for transportation vendors that were reflected in the new contract. The annual increases for the next five years will be based upon CPI.

Governmental Activities - Expenses and Program Revenues



Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School District reports three major funds individually in the governmental fund financial statements, the General Fund, Special Aid Fund and Capital Projects Fund.

General Fund - The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3.3 million, while total fund balance decreased to $20.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 4.2% of total General Fund expenditures, while total fund balance represents 25.6% of that same amount. Of the General Fund's $20.4 million total fund balance, $15.7 million is restricted and $1.2 million is assigned for specific purposes. The remaining $3.3 million is unassigned and available for general purposes, subject to applicable statutory limitations.

The fund balance of the School District's General Fund decreased by $6.5 million during the current fiscal year. Significant factors affecting the change in fund balance included the following:

- Transfers out increased by $2,437,245. The increase in transfers is all related to the funding of capital projects using both the Capital Reserve (2018) for safety and security projects as budgeted as well as the Capital Reserve (2024) for the roofing projects at the Harbor and Manor Elementary Schools.

- Pupil transportation expenditures increased by $603,104. The School District went out with a request for proposal for its transportation services contract beginning with the 2025-2026 fiscal year. This process resulted in a large increase due to bus driver shortages for transportation vendors that were reflected in the new contract. The annual increases for the next five years will be based upon CPI.

- Employee benefits increased by $674,471. All of the different employee benefits relating to staff were subject to increases in the last year. Some reflective of double-digit percentage increases, such health insurance and Medicare.

- State aid revenues decreased by $375,585. The decrease in actual state aid is largely related to what was projected as being received within the adopted budget compared to actual amounts recognized in state aid. The categories of these differences relate to both the Building Aid and Excess Cost Aid. Projections were higher than actual revenue received from NYS.

- Interest revenues decreased by $336,475. Due to the use of the Capital Reserve funds in the current year, the School District has less cash on hand, resulting in lower interest revenues earned during the year.

Special Aid Fund - Revenues and expenditures in the Special Aid Fund increased by $574,162 and $627,693, respectively from the prior year. This change from the prior year was primarily attributable to the growth within our Universal Pre-K offerings to students utilizing Community Based Organizations to educate these students with the School District as well as the Summer Handicap Program. Significant revenues and expenditures during the current year related to instruction and pupil transportation. Activity in the fund may fluctuate from year to year based on the timing and availability of grant funding and related expenditures.

Capital Projects Fund - Fund balance in the Capital Projects Fund was $7.2 million at year end, representing an increase of $2.6 million from the prior year. The change was primarily attributable to the Capital Reserve (2018) for safety and security projects as budgeted as well as the Capital Reserve (2024) for the roofing projects at the Harbor and Manor Elementary Schools. Significant project activity during the year included capital outlay expenditures of $5,750,378 and transfers in of $8,300,000. Additional information regarding capital asset and long-term financing activity is included in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets - The School District's investment in capital assets for its governmental activities as of June 30, 2026, amounts to $34.1 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction-in-progress, buildings and improvements, land improvements, furniture and equipment, vehicles, and right-to-use leased equipment. The total increase in capital assets for the current fiscal year was $3.4 million.

Capital Assets

	June 30, 2026	June 30, 2025
Land	$ 1,517,000	$ 1,517,000
Construction-in-progress	1,685,306	1,307,266
Buildings and Improvements	63,092,914	57,788,406
Land Improvements	3,721,674	3,721,674
Furniture, Equipment and Vehicles	8,420,621	7,932,589
Right-to-use Leased Equipment	2,726,439	3,396,589
Total	81,163,954	75,663,524
Less: Accumulated Depreciation	(47,020,415)	(44,965,553)
Net Capital Assets	$ 34,143,539	$ 30,697,971

Significant capital asset activity during the current fiscal year included the following:

- Construction-in-progress additions totaled $4,871,183.
- Buildings and Improvements additions totaled $5,304,508.
- Furniture and Equipment additions totaled $481,400.
- New right-to-use leased equipment additions totaled $67,830.

Leases are intangible right-to-use assets. The School District does not own the underlying assets but has the right to use them in operations as specified in the related contracts. A corresponding lease liability is recognized and included in the long-term financing discussion below.

Additional information on the School District's capital assets can be found in Note 3B of this report.

Long-term financing - At the end of the current fiscal year, the School District had outstanding principal of long-term financing arrangements of $9,253,083, composed of general obligation bonds, unamortized bond premiums and leases liabilities. During the current year, the outstanding principal of long-term financing arrangements decreased by a net of $1,666,803.

Long-Term Financings

	June 30, 2026	June 30, 2025
General Obligation Bonds	$ 7,960,000	$ 9,065,000
Unamortized Premium on Bonds	335,731	410,338
Lease Liabilities	957,352	1,444,548
Total	$ 9,253,083	$ 10,919,886

The approximately $8.0 million general obligation bonds are bonded debt, backed by the full faith and credit of the School District. During the current year, the School District did not issue general obligation bonds.

As discussed in the changes in capital assets above, the School District entered into a new lease for equipment totaling $67,830. The liability will be repaid over the term of the contract.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the average full valuation of taxable property within the jurisdiction. The current debt limitation for the School District is $296,175,400 which is significantly more than the School District's outstanding general obligation debt.

Additional information on the School District's long-term debt can be found in Note 3E of this report.

Currently Known Facts, Decisions or Conditions

The School District is aware of the following items that will impact future finances and were considered in developing the following fiscal year's budget:

(1) Trends in demographic data, such as changes in population (total or specific age groups), income levels, enrollment, and unemployment rates are monitored for appropriate staffing levels to ensure classroom class sizes are reasonable and in line with Board of Education Policy.
(2) The property tax cap and uncertainty with Foundation Aid and a revamping of the state aid formula.
(3) The continual increases in employee health insurance are becoming cost prohibitive. A change in how these rates are developed or how we may create competition within this area.
(4) Those that are expected to result in changes in planned spending, referring as needed to relevant explanatory factors such as inflation; labor contracts; new laws or regulations; and the addition, expansion, elimination, or reduction of programs.
(5) Actions other parties have taken that will affect the government in a subsequent period, such as new legislation or regulations imposed on the government, specific to mandatory Universal Pre-K for 4-year-olds in 2028-2029 and the effect on space and building utilization.

At the end of the current fiscal year, the unassigned fund balance in the General Fund was $3,317,550. The School District has appropriated $1,000,000 of assigned fund balance for spending in the 2026-2027 fiscal year budget. The School District monitors fund balance throughout the year and ensures we remain within the 4% compliance of the next year's budget through projections, while also trying to reduce the

reliance on fund balance for funding future budgets and strategizing reserves as per our Five-Year Reserve Plan.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Seaford Union Free School District
Attn: Ms. Rhonda L. Meserole, CPA,
Assistant Superintendent for Business and Operations
1600 Washington Avenue
Seaford, New York 11783

Seaford Union Free School District, New York

Statement of Net Position
June 30, 2026

	Governmental Activities
ASSETS	
Cash and equivalents	$ 14,127,099
Investments	16,044,516
Receivables	
Taxes	1,021,698
Accounts	13,894
State and Federal aid	2,365,446
Due from other governments, net	266,683
Prepaid expenses	177,020
Net pension asset - TRS	10,180,366
Inventories	9,825
Capital assets	
Not being depreciated	3,202,306
Being depreciated/amortized, net	30,941,233
Total Assets	78,350,086
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding bonds	218,776
Pension related	14,318,588
OPEB related	13,022,294
Total Deferred Outflows of Resources	27,559,658
LIABILITIES	
Accounts payable	699,034
Accrued liabilities	454,407
Due to retirement systems	4,149,609
Deposits payable	69,241
Unearned revenues	25,334
Accrued interest payable	95,189
Non-current liabilities	
Due within one year	6,988,529
Due in more than one year	121,015,152
Total Liabilities	133,496,495
DEFERRED INFLOWS OF RESOURCES	
Pension related	10,344,214
OPEB related	14,912,382
Total Deferred Inflows of Resources	25,256,596
NET POSITION	
Net investment in capital assets	25,119,432
Restricted	
Capital projects	7,174,786
Future capital projects	4,266,257
Debt service	41,931
Workers' compensation benefits	1,483,963
ERS retirement system contributions	2,813,833
TRS retirement system contributions	2,622,575
Special purposes	
Extraclassroom activities	235,991
Other	132,685
Net pension asset - TRS	10,180,366
Unrestricted	(106,915,166)
Total Net Position	$ (52,843,347)

The notes to financial statements are an integral part of this statement.

Seaford Union Free School District, New York

Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General support	$ 11,433,183	$ -	$ 89,487	$ -	$ (11,343,696)
Instruction	64,221,308	911,613	2,178,579	-	(61,131,116)
Pupil transportation	4,511,578	-	-	-	(4,511,578)
Community services	13,590	-	-	-	(13,590)
Cost of food sales	1,119,958	400,622	1,195,024	-	475,688
Other	276,174	406,541	-	-	130,367
Interest	409,975	-	-	20,603	(389,372)
Total Governmental Activities	$ 81,985,766	$ 1,718,776	$ 3,463,090	$ 20,603	(76,783,297)
General revenues					
Real property taxes					57,869,441
Other tax items					
Payments in lieu of taxes					780,569
School tax relief reimbursement					3,555,757
Interest and penalties on taxes					55,475
Unrestricted use of money and property					1,108,619
Sale of property and compensation for loss					13,660
Unrestricted State aid					18,385,073
Miscellaneous					305,616
Total General Revenues					82,074,210
Change in Net Position					5,290,913
NET POSITION					
Beginning					(58,134,260)
Ending					$ (52,843,347)

The notes to financial statements are an integral part of this statement.

Seaford Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2026

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	$ 5,919,825	$ 29,494	$ 7,289,765
Investments	15,956,499	-	-
Receivables			
Taxes	1,021,698	-	-
Accounts	13,894	-	-
State and Federal aid	1,282,572	894,270	-
Due from other governments, net	266,683	-	-
Due from other funds	919,638	54,866	-
Prepaid expenditures	177,020	-	-
Inventories	-	-	-
Total Assets	$ 25,557,829	$ 978,630	$ 7,289,765
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 451,608	$ 70,293	$ 88,390
Accrued liabilities	439,852	-	14,555
Due to other funds	54,866	908,337	1,834
Due to retirement systems	4,149,609	-	-
Deposits payable	63,018	-	-
Unearned revenues	-	-	-
Total Liabilities	5,158,953	978,630	104,779
Fund balances			
Nonspendable	177,020	-	-
Restricted	15,731,852	-	7,184,986
Assigned	1,172,454	-	-
Unassigned	3,317,550	-	-
Total Fund Balances	20,398,876	-	7,184,986
Total Liabilities and Fund Balances	$ 25,557,829	$ 978,630	$ 7,289,765

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
$ 888,015	$ 14,127,099
88,017	16,044,516
-	1,021,698
-	13,894
188,604	2,365,446
-	266,683
1,834	976,338
-	177,020
9,825	9,825
$ 1,176,295	$ 35,002,519

$ 88,743	$ 699,034
-	454,407
11,301	976,338
-	4,149,609
6,223	69,241
25,334	25,334
131,601	6,373,963
9,825	186,845
410,607	23,327,445
624,262	1,796,716
-	3,317,550
1,044,694	28,628,556
$ 1,176,295	$ 35,002,519

Seaford Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2026

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Funds	$ 28,628,556
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	3,202,306
Capital assets - depreciable/amortizable	77,961,648
Accumulated depreciation/amortization	(47,020,415)
	34,143,539
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	14,318,588
Deferred outflows - OPEB related	13,022,294
Deferred inflows - pension related	(10,344,214)
Deferred inflows - OPEB related	(14,912,382)
	2,084,286
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	10,180,366
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(95,189)
General obligation bonds payable	(7,960,000)
Leases payable	(957,352)
Claims payable	(1,172,545)
Compensated absences	(7,306,427)
Net pension liability - ERS	(986,674)
Total OPEB liability	(109,284,952)
	(127,763,139)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	218,776
Premium on general obligation bonds	(335,731)
	(116,955)
Net Position of Governmental Activities	$ (52,843,347)

The notes to financial statements are an integral part of this statement.

Seaford Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2026

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	$ 57,869,441	$ -	$ -
Other tax items	4,391,801	-	-
Charges for services	863,781	-	-
Use of money and property	1,156,451	-	-
Sale of property and compensation for loss	13,660	-	-
State aid	18,595,608	1,299,025	-
Federal aid	89,487	669,019	-
Food sales	-	-	-
Miscellaneous	305,616	-	-
Total Revenues	83,285,845	1,968,044	-
EXPENDITURES			
Current			
General support	8,063,176	-	-
Instruction	46,626,066	1,939,968	-
Pupil transportation	4,271,085	142,408	-
Community services	13,590	-	-
Employee benefits	20,367,614	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	190,667	-	-
Capital outlay	-	-	5,750,378
Total Expenditures	79,532,198	2,082,376	5,750,378
Excess (Deficiency) of Revenues Over Expenditures	3,753,647	(114,332)	(5,750,378)
OTHER FINANCING SOURCES (USES)			
Leases issued	-	-	67,830
Transfers in	11,301	114,332	8,300,000
Transfers out	(10,247,993)	-	-
Total Other Financing Sources (Uses)	(10,236,692)	114,332	8,367,830
Net Change in Fund Balances	(6,483,045)	-	2,617,452
FUND BALANCES			
Beginning of Year	26,881,921	-	4,567,534
End of Year	$ 20,398,876	$ -	$ 7,184,986

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
$ -	$ 57,869,441
-	4,391,801
-	863,781
23,113	1,179,564
-	13,660
866,683	20,761,316
328,341	1,086,847
400,622	400,622
404,031	709,647
2,022,790	87,276,679
-	8,063,176
-	48,566,034
-	4,413,493
-	13,590
-	20,367,614
1,321,806	1,321,806
276,174	276,174
1,660,026	1,660,026
268,823	459,490
-	5,750,378
3,526,829	90,891,781
(1,504,039)	(3,615,102)
-	67,830
1,833,661	10,259,294
(11,301)	(10,259,294)
1,822,360	67,830
318,321	(3,547,272)
726,373	32,175,828
$ 1,044,694	$ 28,628,556

Seaford Union Free School District, New York

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2026

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	$ (3,547,272)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital outlay expenditures	6,296,093
Depreciation/amortization expense	(2,850,525)
	3,445,568
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.	
Principal paid on general obligation bonds	1,105,000
Leases issued	(67,830)
Principal paid on leases	555,026
	1,592,196
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	23,525
Compensated absences	(735,814)
Changes in pension liabilities and related deferred outflows and inflows of resources	3,869,874
Claims payable	38,459
Changes in OPEB liabilities and related deferred outflows and inflows of resources	578,387
Amortization of premium and loss on refunding bonds	25,990
	3,800,421
Change in Net Position of Governmental Activities	$ 5,290,913

The notes to financial statements are an integral part of this statement.

Seaford Union Free School District, New York

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

	Custodial Fund
ADDITIONS	
Real property taxes and payments in lieu of taxes collected for other governments	$ 2,413,004
DEDUCTIONS	
Payments of real property taxes and payments in lieu of taxes to other governments	2,413,004
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	-
End of Year	$ -

The notes to financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The Seaford Union Free School District, New York ("School District"), as presently constituted, operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

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

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Nassau County Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements can be requested from Nassau County BOCES, 71 Clinton Road, Garden City, New York 11530.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to

Note 1 - Summary of Significant Accounting Policies (Continued)

expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are State and Federal aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast, lunch and milk programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for real property taxes and payments in lieu of taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, *"Fair Value Measurement and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing

Note 1 - Summary of Significant Accounting Policies (Continued)

assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the New York Cooperative Liquid Assets Securities System ("NYCLASS"), a cooperative investment pool organized under a municipal cooperation agreement pursuant to Articles 3-A and 5-G of General Municipal Law of the State of New York. NYCLASS is administered by a governing board elected by its participants. The governing board has retained PTMA Investment Advisors as its investment adviser. PTMA Investment Advisors is registered with the Securities and Exchange Commission ("SEC") and is subject to applicable federal securities laws and SEC oversight in its capacity as investment adviser. The SEC registration and oversight apply to the investment adviser and do not constitute SEC registration, approval, or direct regulation of NYCLASS.

NYCLASS is authorized to invest in obligations issued or guaranteed by the United States and certain of its agencies, obligations of the State of New York and repurchase agreements, in accordance with its investment policies. These investments are reported at fair value. NYCLASS issues separate audited financial statements for its fiscal year ending June 30th.

At June 30, 2026, the School District's investment in NYCLASS was $15,956,499, which equaled the value of its pool shares. NYCLASS's investment policy limits the maximum remaining maturity of any individual investment to 397 days and the maximum weighted-average maturity of the portfolio to 60 days.

NYCLASS is rated AAAm by S&P Global Ratings. An AAAm principal stability fund rating indicates S&P Global Ratings' opinion that the pool has an extremely strong capacity to maintain principal stability and limit exposure to principal losses due to credit risk. The rating is not a guarantee of performance or principal and is subject to change. An investment in NYCLASS is not insured or guaranteed by the FDIC or any other governmental agency.

Additional information, including NYCLASS's annual report and audited financial statements, is available at www.newyorkclass.org.

In addition, the School District has certificate of deposits in the amount of $88,017.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Note 1 - Summary of Significant Accounting Policies (Continued)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2026.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st. Taxes are collected during the period August 1 to June 30. Nassau County, New York ("County") is responsible for the billing and collection of the taxes. The County guarantees the full payment of the School District warrant and assumes responsibility for the uncollected taxes. The taxes receivable amount of $1,021,698 was received subsequently in August 2026.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2026, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories – Inventories in the School Lunch Fund consist of surplus food which is recorded at a stated value, which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment, and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Such assets (except intangible

Note 1 - Summary of Significant Accounting Policies (Continued)

right-to-use assets, which is discussed in Note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. The other tangible and intangible property, plant and equipment and right-to-use assets of the School District are depreciated/amortized using the straight line method over the following estimated useful lives.

Class	Life in Years
Buildings and Improvements	20-50
Land Improvements	20
Furniture and Equipment	5-20
Vehicles	8
Right-to-use Assets	5

The costs associated with the acquisition or construction of tangible and intangible capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of $25,334 in the School Lunch Fund for student meal monies received in advance Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

Long-term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as 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 asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences - The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the School District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The School District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the district-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68"*.

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for capital projects, future capital projects, debt service, workers' compensation benefits, ERS and TRS retirement system contributions, special purposes and net pension asset - TRS.

Note 1 - Summary of Significant Accounting Policies (Continued)

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The School Board is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the School Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or delegated to the Assistant Superintendent for Business Operations for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Note 1 - Summary of Significant Accounting Policies (Continued)

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 6, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget. The School District is currently within this statutory limit.

B. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

C. New Accounting Pronouncement

The School District has implemented GASB Statement No. 103, *"Financial Reporting Model Improvements",* for the fiscal year ended June 30, 2026. This Statement improves key components of the financial reporting model to enhance the effectiveness of information provided for decision-making and assessing a government's accountability. As a result of implementing this Statement, the School District revised the presentation of certain financial statement information, including updates to the Management's Discussion and Analysis, budgetary presentations and other reporting elements, to conform with the new requirements.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2026 were as follows:

Fund	Due From	Due To
General	$ 919,638	$ 54,866
Special Aid	54,866	908,337
Capital Projects	-	1,834
Non-Major Governmental	1,834	11,301
	$ 976,338	$ 976,338

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

Changes in the School District's capital assets are as follows:

Class	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets, not being depreciated:				
Land	$ 1,517,000	$ -	$ -	$ 1,517,000
Construction-in-progress	1,307,266	4,871,183	4,493,143	1,685,306
Total Capital Assets, not being depreciated	$ 2,824,266	$ 4,871,183	$ 4,493,143	$ 3,202,306
Capital Assets, being depreciated/amortized:				
Buildings and Improvements	$ 57,788,406	$ 5,304,508	$ -	$ 63,092,914
Land Improvements	3,721,674	-	-	3,721,674
Furniture and Equipment	7,685,633	481,400	18,712	8,148,321
Vehicles	246,956	64,315	38,971	272,300
Right-to-use Leased Equipment	3,396,589	67,830	737,980	2,726,439
Total Capital Assets, being depreciated/amortized	72,839,258	5,918,053	795,663	77,961,648
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	34,664,160	1,611,772	-	36,275,932
Land Improvements	2,808,337	137,455	-	2,945,792
Furniture and Equipment	5,293,578	531,481	18,712	5,806,347
Vehicles	194,850	23,519	38,971	179,398
Right-to-use Leased Equipment	2,004,628	546,298	737,980	1,812,946
Total Accumulated Depreciation/Amortization	44,965,553	2,850,525	795,663	47,020,415
Total Capital Assets, being depreciated/amortized, net	$ 27,873,705	$ 3,067,528	$ -	$ 30,941,233
Capital Assets, net	$ 30,697,971	$ 7,938,711	$ 4,493,143	$ 34,143,539

Depreciation/Amortization expense was charged to School District functions and programs as follows:

General support	$ 1,791,191
Instruction	1,016,050
Cost of Sales	43,284
Total Depreciation/Amortization Expense	$ 2,850,525

C. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non capital borrowings.

	Interest Rate	Balance July 1, 2025	New Issues	Redemptions	Balance June 30, 2026
Tax Anticipation Note	4.00%	$ -	$ 6,500,000	$ 6,500,000	$ -

Note 3 - Detailed Notes on All Funds (Continued)

The $6,500,000 tax anticipation note was issued on August 26, 2025 and matured on May 20, 2026, with interest at 4.00%. Interest expenditures of $190,667 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements for governmental activities.

D. Accrued Liabilities

Accrued liabilities at June 30, 2026 were as follows:

	General Fund	Capital Fund	Total
Payroll and Employee Benefits	$ 439,852	$ -	$ 439,852
Other	-	14,555	14,555
	$ 439,852	$ 14,555	$ 454,407

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2026:

	Balance, July 1, 2025	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2026	Due Within One-Year
General Obligation Bonds Payable	$ 9,065,000	$ -	$ 1,105,000	$ 7,960,000	$ 1,145,000
Plus - Unamortized Premium on Bonds	410,338	-	74,607	335,731	-
	9,475,338	-	1,179,607	8,295,731	1,145,000
Leases Payable	1,444,548	67,830	555,026	957,352	467,112
Other Non-current Liabilities:					
Claims Payable	1,211,004	362,612	401,071	1,172,545	120,000
Compensated Absences	6,570,613	735,814 *	-	7,306,427	731,000
Net Pension Liability - ERS	3,076,050	-	2,089,376	986,674	-
Other Postemployment Benefit Liability	92,783,986	21,026,383	4,525,417	109,284,952	4,525,417
Total Other Non-current Liabilities	103,641,653	22,124,809	7,015,864	118,750,598	5,376,417
Total Long-Term Liabilities	$ 114,561,539	$ 22,192,639	$ 8,750,497	$ 128,003,681	$ 6,988,529

*The change in compensated absences is presented as a net change.

Each governmental fund's liability for general obligation bonds, leases, claims payable, compensated absences, net pension liabilities and other postemployment benefit liability is liquidated by the General Fund. The School District's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2026 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2026
District-Wide Reconstruction	2017	$ 10,820,000	July, 2035	2.00-5.00 %	$ 5,925,000
District-Wide Reconstruction	2022	2,685,000	July, 2034	.55-3.25	2,035,000
					$ 7,960,000

Interest expenditures of $213,902 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of $164,387 was recorded in the district-wide financial statements.

Leases Payable

Leases payable at June 30, 2026 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2026
Equipment	2022	$ 643,048	2027	3.82 %	$ 138,502
Equipment	2023	872,401	2028	4.62	371,982
Equipment	2024	549,680	2029	5.13	337,601
Equipment	2025	65,795	2028	5.60	43,097
Equipment	2026	67,830	2030	8.50	66,170
					$ 957,352

Interest expenditures/expense of $54,921 were recorded in the fund financial statements in the Debt Service Fund and in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonds and leases as of June 30, 2026 including interest payments of $975,199 are as follows:

Year Ending June 30,	General Obligation Bonds		Leases	
	Principal	Interest	Principal	Interest
2027	$ 1,145,000	$ 213,902	$ 467,112	$ 37,903
2028	1,165,000	175,250	343,545	18,106
2029	1,190,000	149,365	129,191	5,191
2030	1,215,000	126,635	17,504	753
2031	1,240,000	100,907	-	-
2032-2035	2,005,000	147,187	-	-
	$ 7,960,000	$ 913,246	$ 957,352	$ 61,953

Year Ending June 30,	Total	
	Principal	Interest
2027	$ 1,612,112	$ 251,805
2028	1,508,545	193,356
2029	1,319,191	154,556
2030	1,232,504	127,388
2031	1,240,000	100,907
2032-2035	2,005,000	147,187
	$ 8,917,352	$ 975,199

The above general obligation bonds are direct borrowings of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Claims Payable

The district-wide financial statement reflects workers' compensation benefit liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported ("IBNR's"). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed

Note 3 - Detailed Notes on All Funds (Continued)

periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of unpaid claim liabilities at June 30, 2026 is as follows:

Unpaid Claims - Beginning of Year	$ 1,211,004
Incurred Claims including IBNR's	362,612
Claims Paid	(401,071)
Unpaid Claims - End of Year	$ 1,172,545
Due Within One Year	$ 120,000

Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate certain employees for accumulated sick leave, vacation, and sabbatical time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) and Section 457 plan. The School District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. The value of the compensated absences is calculated based on pay rates in effect at year-end and has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). 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 School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided

Note 3 - Detailed Notes on All Funds (Continued)

may be found at www.osc.ny.gov/retirement/resources/financial-reports#financial or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. 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. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2026 and TRS plan year ended June 30, 2026 are as follows:

	Tier/Plan	Rate
ERS	4 A15	19.6 %
	5 A15	16.6
	6 A15	12.8
TRS	1-6	9.59 %

At June 30, 2026, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Net pension liability (asset)	$ 986,674	$ (10,180,366)
School District's proportion of the net pension liability (asset)	0.0174888 %	0.171935 %
Change in proportion since the prior measurement date	(0.000452) %	0.002426 %

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability (asset) was measured as of March 31, 2026 for ERS and June 30, 2025 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability (asset) for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2026, the School District recognized its proportionate share of pension expense in the district-wide financial statements of $502,396, ($1,052,690 for ERS and ($550,294) for TRS). Pension expenditures for ERS of $1,057,521 were recorded in the fund financial statement and were charged to the General Fund. Pension expenditures for TRS of $3,314,749 were reported in the fund financial statement and were charged to the General Fund.

At June 30, 2026, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 564,633	$ -	$ 5,336,782	$ -
Changes of assumptions	169,368	-	4,030,090	109,761
Net difference between projected and actual earnings on pension plan investments	-	1,769,160	-	7,950,841
Changes in proportion and differences between School District contributions and proportionate share of contributions	462,181	335,782	159,160	178,670
School District contributions subsequent to the measurement date	281,468	-	3,314,906	-
	$ 1,477,650	$ 2,104,942	$ 12,840,938	$ 8,239,272

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,901,415	$ -
Changes of assumptions	4,199,458	109,761
Net difference between projected and actual earnings on pension plan investments	-	9,720,001
Changes in proportion and differences between School District contributions and proportionate share of contributions	621,341	514,452
School District contributions subsequent to the measurement date	3,596,374	-
	$ 14,318,588	$ 10,344,214

Note 3 - Detailed Notes on All Funds (Continued)

$281,468 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2027. The $3,314,906 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2026	$ -	$ 5,137,613
2027	416,032	(2,153,427)
2028	(609,650)	(2,276,830)
2029	(344,010)	(471,466)
2030	(371,132)	866,329
Thereafter	-	184,541
	$ (908,760)	$ 1,286,760

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Investment rate of return	5.9% *	6.95% *
Salary scale	5.2%	2.04%-5.80%
Inflation rate	2.9%	2.5%
Cost of living adjustments	1.5%	1.4%

*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study completed April 1, 2020 to March 31, 2025. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

	ERS March 31, 2026		TRS June 30, 2025	
Asset Type	Target Allocation	Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.29 %	33 %	6.7 %
International Equity	14	5.85	15	7.4
Private Equity	15	7.00	9	9.8
Real Estate	12	5.20	11	6.5
Domestic Fixed Income Securities	-	-	16	2.6
Global Bonds	-	-	2	2.4
High Yield Bonds	-	-	1	4.7
Global Equities	-	-	4	7.0
Private Debt	-	-	2	6.1
Real Estate Debt	-	-	6	3.8
Opportunistic/ARS Portfolio	3	5.13	-	-
Credit	4	5.10	-	-
Real Assets	4	5.54	-	-
Fixed Income	22	1.75	-	-
Cash	1	0.25	1	0.6
	100 %		100 %	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those

Note 3 - Detailed Notes on All Funds (Continued)

assumptions, the System's 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.

The following presents the School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	$ 6,738,709	$ 986,674	$ (3,822,284)

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	$ 19,561,703	$ (10,180,366)	$ (35,206,770)

The components of the collective net pension liability as of the March 31, 2026 ERS measurement date and the June 30, 2025 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	$ 253,770,040,000	$ 148,272,068,018
Fiduciary net position	248,131,290,000	154,193,125,241
Employers' net pension liability (asset)	$ 5,638,750,000	$ (5,921,057,223)
Fiduciary net position as a percentage of total pension liability	97.78%	103.99%

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2026 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2026 were $281,468 to ERS and $3,868,141 to TRS (including employee contributions of $553,235).

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of $75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	391
Active employees	223
	614

The School District's total OPEB liability of $109,284,952 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2025.

The total OPEB liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.40%, average, including inflation
Discount rate	4.67%
Healthcare cost trend rates	Pre-65: 5.9%, decreasing in accordance with the healthcare cost trend rate schedule to an ultimate rate of 3.8% for 2073 and later years; Post-65: 6.1%, decreasing in accordance with the healthcare cost trend rate schedule to an ultimate rate of 3.8% for 2073 and later years.
Retirees' share of benefit-related costs	Varies from 18.5% to 26.0%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2026.

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the 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, with employee rates before commencement and healthy annuitant rates after benefit commencement. This measurement includes a margin for future improvements in longevity.

The School District's change in the total OPEB liability for the year ended June 30, 2026 is as follows:

Total OPEB Liability - Beginning of Year	$ 92,783,986
Service cost	2,254,853
Interest	4,825,849
Changes of benefit terms	-
Differences between expected and actual experience	4,632,292
Changes in assumptions or other inputs	9,313,389
Benefit payments	(4,525,417)
Total OPEB Liability - End of Year	$ 109,284,952

The following presents the total OPEB liability of the School District, as well as what the School 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:

	1% Decrease (3.67%)	Current Discount Rate (4.67%)	1% Increase (5.67%)
Total OPEB Liability	$ 125,322,272	$ 109,284,952	$ 96,203,006

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (Pre-65: 4.9% and Post-65: 5.1%, decreasing to 2.8%) or 1 percentage point higher (Pre-65: 6.9% and Post-65: 7.1%, decreasing to 4.8%)than the current healthcare cost trend rates:

	1% Decrease (Pre-65: 4.9% and Post-65: 5.1% decreasing to 2.8%)	Current Healthcare Cost Trend Rates (Pre-65: 5.9% and Post-65: 6.1% decreasing to 3.8%)	1% Increase (Pre-65: 6.9% and Post-65: 7.1% decreasing to 4.8%)
Total OPEB Liability	$ 94,228,986	$ 109,284,952	$ 128,211,473

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2026, the School District recognized OPEB expense of $3,947,030 in the district-wide financial statements. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 9,056,373	$ 13,404,482
Differences between expected and actual experience	3,965,921	1,507,900
	$ 13,022,294	$ 14,912,382

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

Year Ended June 30,	
2027	$ (2,772,144)
2028	(1,024,938)
2029	(1,174,847)
2030	2,292,460
2031	789,381
Thereafter	-
	$ (1,890,088)

F. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

	Transfers In				
Transfers Out	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 114,332	$ 8,300,000	$ 1,833,661	$ 10,247,993
Non-Major Governmental Funds	11,301	-	-	-	11,301
	$ 11,301	$ 114,332	$ 8,300,000	$ 1,833,661	$ 10,259,294

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid Fund and Capital Projects Fund expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Future Capital Projects - the component of net position that has been established in accordance with the Education Law of the State of New York to set aside funds to be used for future capital projects.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund with constraints placed on their use by Local Finance Law.

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for ERS Retirement System Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

Restricted for Net Pension Asset - TRS - the component of net position that reports the amount of the TRS net pension asset in accordance with the provisions of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*."

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Prepaid expenditures	$ 177,020	$ -	$ -	$ 177,020
Inventories	-	-	9,825	9,825
Total Nonspendable	177,020	-	9,825	186,845
Restricted:				
Workers' compensation	1,153,963	-	-	1,153,963
Workers' compensation - for subsequent year's expenditures	330,000	-	-	330,000
Employee benefit accrued liability	4,270,224	-	-	4,270,224
Employee benefit accrued liability - for subsequent year's expenditures	275,000	-	-	275,000
ERS retirement contributions	2,813,833	-	-	2,813,833
TRS retirement contributions	2,622,575	-	-	2,622,575
Future capital projects	4,266,257	-	-	4,266,257
Capital projects	-	7,184,986	-	7,184,986
Debt service	-	-	41,931	41,931
Special purposes - extraclassrom activities	-	-	235,991	235,991
Special purposes - other	-	-	132,685	132,685
Total Restricted	15,731,852	7,184,986	410,607	23,327,445
Assigned:				
Purchases on order:				
General government support	143,832	-	-	143,832
Instruction	28,622	-	-	28,622
	172,454	-	-	172,454
For subsequent year's expenditures - General Fund	1,000,000	-	-	1,000,000
School Lunch Fund	-	-	624,262	624,262
Total Assigned	1,172,454	-	624,262	1,796,716
Unassigned	3,317,550	-	-	3,317,550
Total Fund Balances	$ 20,398,876	$ 7,184,986	$ 1,044,694	$ 28,628,556

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not “available” for expenditures because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Note 3 - Detailed Notes on All Funds (Continued)

Subsequent year's expenditures represent that at June 30, 2026, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The School District, in common with other School District's, receives numerous notices of claims for monetary damages arising from property damage or personal injury. Of all claims currently pending, none are expected to have a material effect on the School District's financial position if adversely resolved.

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company, called the New York State Insurance Reciprocal ("NYSIR") to be owned by these districts. NYSIR operates under an agreement effective July 1, 1989. The purpose of NYSIR is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. NYSIR retains a management company, which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. NYSIR is an "assessable" insurance company, in that,

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

the subscribers are severally liable for any financial shortfall of NYSIR and can be assessed their proportionate share by the State Insurance Department if the funds of NYSIR are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains general liability coverage with policy limits of $1 million.

The district-wide financial statement reflects workers compensation benefit liabilities. Liabilities of the plan are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. As of June 30, 2026, the School District has recorded potential workers' compensation claims of $1,172,545 and has a workers' compensation reserve balance of $1,483,963 in the General Fund.

Note 5 - Subsequent Events

On August 26, 2026, the School District issued a tax anticipation note in the amount of $6,500,000. The note fully matures on May 20, 2027, with an interest rate of 4.00%.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 105, *"Subsequent Events",* has been issued to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs to financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact that this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

*****

Seaford Union Free School District, New York

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - over (under)	Actual	Encumbr-	Variance with Final Budget - over (under) Actual Amounts
	Original	Final	Final Budget	Amounts	ances	and Encumbrances
REVENUES						
Real property taxes	$ 56,825,198	$ 57,869,441	$ 1,044,243	$ 57,869,441	$	$ -
Other tax items	5,370,000	4,325,757	(1,044,243)	4,391,801		66,044
Charges for services	895,000	895,000	-	863,781		(31,219)
Use of money and property	610,000	610,000	-	1,156,451		546,451
Sale of property and compensation for loss	-	-	-	13,660		13,660
State aid	19,432,553	19,432,553	-	18,595,608		(836,945)
Federal aid	40,000	40,000	-	89,487		49,487
Miscellaneous	225,000	236,741	11,741	305,616		68,875
Total Revenues	83,397,751	83,409,492	11,741	83,285,845		(123,647)
EXPENDITURES						
Current						
General support						
Board of education	62,300	63,580	1,280	51,822	-	(11,758)
Central administration	405,590	404,840	(750)	400,837	-	(4,003)
Finance	857,155	844,527	(12,628)	791,961	42,750	(9,816)
Staff	647,965	656,854	8,889	558,316	-	(98,538)
Central services	5,610,388	5,775,722	165,334	5,349,089	101,082	(325,551)
Special items	983,500	927,202	(56,298)	911,151	-	(16,051)
Total General Support	8,566,898	8,672,725	105,827	8,063,176	143,832	(465,717)
Instruction						
Instruction, administration and improvement	3,330,281	3,504,699	174,418	3,384,382	436	(119,881)
Teaching - Regular school	24,686,513	25,200,965	514,452	24,725,569	6,425	(468,971)
Programs for students with disabilities	12,517,764	11,193,675	(1,324,089)	10,156,570	14,331	(1,022,774)
Occupational education	743,483	806,075	62,592	799,644	-	(6,431)
Teaching - Special schools	75,335	71,189	(4,146)	62,689	-	(8,500)
Instructional media	3,374,995	3,257,571	(117,424)	3,054,054	7,430	(196,087)
Pupil services	4,491,739	4,696,030	204,291	4,443,158	-	(252,872)
Total Instruction	49,220,110	48,730,204	(489,906)	46,626,066	28,622	(2,075,516)
Pupil transportation	5,045,188	4,307,681	(737,507)	4,271,085	-	(36,596)
Community Services	20,000	20,000	-	13,590	-	(6,410)
Employee benefits	20,183,000	20,715,901	532,901	20,367,614	-	(348,287)
Debt service						
Interest	160,000	190,667	30,667	190,667	-	-
Total Expenditures	83,195,196	82,637,178	(558,018)	79,532,198	172,454	(2,932,526)
Excess of Revenues Over Expenditures	202,555	772,314	569,759	3,753,647	(172,454)	2,808,879
OTHER FINANCING SOURCES (USES)						
Transfers in	70,000	70,000	-	11,301	-	(58,699)
Transfers out	(2,188,902)	(10,258,661)	(8,069,759)	(10,247,993)	-	10,668
Total Other Financing Uses	(2,118,902)	(10,188,661)	(8,069,759)	(10,236,692)	-	(48,031)
Net Change in Fund Balance	(1,916,347)	(9,416,347)	(7,500,000)	(6,483,045)	$ (172,454)	$ 2,760,848
FUND BALANCE						
Beginning of Year	1,916,347	9,416,347	7,500,000	26,881,921		
End of Year	$ -	$ -	$ -	$ 20,398,876		

See independent auditors' report.

1. Budgetary Basis and Control

The School District annually adopts a legally authorized budget for the General Fund. The budget is approved by School District voters in accordance with New York State Education Law and is prepared on a basis consistent with generally accepted accounting principles. If the proposed budget is not approved by the voters, the Board of Education may adopt a contingency budget or resubmit the original or a revised budget for voter approval. If a resubmitted budget is not approved, the Board is required to adopt a contingency budget in accordance with New York State Education Law.

The Board of Education establishes legal budgetary control at the function level. Transfers between functions and other budget amendments requiring modification at the legal level of control require Board approval.

Annual budgets are not adopted for the Special Aid, School Lunch, Special Purpose or Debt Service funds because their activities are controlled through grant agreements, debt requirements or other legal or contractual restrictions. The Capital Projects Fund is budgeted on a project basis rather than through an annual budget.

General Fund appropriations lapse at year-end except for outstanding encumbrances, which are carried forward and included in the subsequent year's budget.

Encumbrance accounting is used in the General Fund to record purchase orders, contracts and other commitments against applicable appropriations. Outstanding encumbrances at year-end do not constitute expenditures or liabilities and are generally reported as assigned fund balance. For purposes of evaluating compliance with the legally adopted budget, outstanding encumbrances are considered together with actual expenditures.

2. General Fund Budgetary Highlights

Differences - Original Budget to Final Budget

	Variance with Original Budget - over (under) Final Budget	
REVENUES		
Real property taxes	$ 1,044,243	Variance due to reclass of School Tax Relief Reimbursement ("STAR") aid from Real Property Tax to Other Tax Items.
Other tax items	(1,044,243)	Variance due to reclass of STAR aid from Real Property Tax to Other Tax Items.
EXPENDITURES		
Instruction:		
Teaching - Regular schools	$ 514,452	The final budget increased to add a new math program and provide additional professional development to support its implementation.
Programs for students with disabilities	(1,324,089)	The final budget decreased because fewer students than anticipated required these services.
Pupil Transportation	(737,507)	The final budget for pupil transportation was lower than budgeted due to a lower-than-anticipated CPI increase, fewer additional bus routes needed for students, and shared transportation arrangements with other districts.
Employee benefits	532,901	The final budget increased due to a higher-than-originally-estimated number of teacher retirements resulting from the retirement incentive.
OTHER FINANCING USES		
Transfers out	8,069,759	Voter approved use of Capital Reserve and transfer to the Capital Projects Fund and transfer to Debt Service Fund for lease payments.

2. General Fund Budgetary Highlights *(Continued)*

Differences Final Budget to Actual Amounts and Encumbrances

	Variance with Final Budget - over (under) Actual Amounts and Encumbrances	
REVENUES		
Use of money and property	$ 546,451	Interest earnings exceeded the final budget because interest rates remained higher than estimated.
State aid	(836,945)	State Aid was lower than budgeted due to changes in the final aid allocation from initial estimates.
EXPENDITURES		
Instruction:		
Teaching - Regular school	(468,971)	Expenditures were lower than budgeted primarily due to salary savings from teacher retirements and replacement hires at lower salaries.
Programs for students with disabilities	(1,022,774)	Actual expenditures were below the final budget because fewer students than anticipated required services.

Seaford Union Free School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	2026	2025	2024	2023
Total OPEB Liability:				
Service cost	$ 2,254,853	$ 2,954,117	$ 3,125,451	$ 3,010,546
Interest	4,825,849	4,235,507	3,962,070	3,529,655
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,632,292	-	447,238	-
Changes of assumptions or other inputs	9,313,389	(17,278,900) (4)	(4,349,400)	5,786,587
Benefit payments	(4,525,417)	(3,855,486)	(3,728,629)	(3,473,810)
Net Change in Total OPEB Liability	16,500,966	(13,944,762)	(543,270)	8,852,978
Total OPEB Liability – Beginning of Year	92,783,986	106,728,748	107,272,018	98,419,040
Total OPEB Liability – End of Year	$ 109,284,952	$ 92,783,986	$ 106,728,748	$ 107,272,018
School District's covered-employee payroll	$ 26,090,783	$ 24,604,625	$ 24,604,625	$ 23,593,376
Total OPEB liability as a percentage of covered-employee payroll	418.86%	377.10%	433.78%	454.67%
Discount Rate	4.67%	5.20%	3.93%	3.65%

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*".
(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
(3) Restated for the implementation of the provisions of GASB Statement No. 75.
(4) Increase in discount rate resulted in decrease in total OPEB liability.

See independent auditors' report.

2022	2021	2020	2019	2018	
$ 3,218,117	$ 3,482,880	$ 3,821,212	$ 4,430,376	$ 4,301,336	
2,447,714	2,435,715	4,131,361	3,711,352	3,572,336	
-	-	(62,921)	-	-	
(9,885,110)	-	(2,527,562)	-	107,212	
(5,783,689)	871,528	(9,406,771)	(9,761,351)	-	
(3,342,126)	(3,493,893)	(3,381,103)	(3,510,180)	(3,442,385)	
(13,345,094)	3,296,230	(7,425,784)	(5,129,803)	4,538,499	
111,764,134	108,467,904	115,893,688	121,023,491	116,484,992	(3)
$ 98,419,040	$ 111,764,134	$ 108,467,904	$ 115,893,688	$ 121,023,491	
$ 23,593,376	$ 23,414,682	$ 23,414,682	$ 31,796,479	$ 31,796,479	
417.15%	477.33%	463.25%	364.49%	380.62%	
3.54%	2.16%	2.21%	3.50%	3.00%	

Seaford Union Free School District, New York

Required Supplementary Information
New York State Teachers' Retirement System
Last Ten Fiscal Years

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	2026 (3)	2025 (3)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	0.171935%	0.169509%	0.167957%	0.172409%
School District's proportionate share of the net pension liability (asset)	$ (10,180,366)	$ (5,057,481)	$ 1,920,727	$ 3,308,344
School District's covered payroll	$ 33,764,420	$ 32,701,928	$ 31,325,661	$ 30,860,097
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(30.2%)	(15.5%)	6.1%	10.7%
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%
Discount Rate	6.95%	6.95%	6.95%	6.95%

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	$ 3,413,078	$ 3,158,848	$ 3,191,708	$ 3,191,971
Contributions in relation to the contractually required contribution	(3,413,078)	(3,158,848)	(3,191,708)	(3,191,971)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 35,589,969	$ 33,764,420	$ 32,701,928	$ 31,325,661
Contributions as a percentage of covered payroll	9.59%	9.36%	9.76%	10.19%

(1) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2022 (3)	2021 (2)	2020	2019	2018	2017
0.173268%	0.171805%	0.168380%	0.171766%	0.171162%	0.175539%
$ (30,025,692)	$ 4,747,430	$ (4,374,535)	$ (3,105,973)	$ (1,300,999)	$ 1,880,097
$ 29,736,093	$ 30,804,102	$ 29,696,638	$ 29,529,139	$ 29,703,462	$ 29,189,976
(101.0%)	15.4%	(14.7%)	(10.5%)	(4.4%)	6.4%
113.20%	97.76%	102.17%	101.53%	100.66%	99.01%
6.95%	7.10%	7.10%	7.25%	7.25%	7.50%

2022	2021	2020	2019	2018	2017
$ 2,993,189	$ 2,801,781	$ 2,583,639	$ 2,984,797	$ 2,741,910	$ 3,178,872
(2,993,189)	(2,801,781)	(2,583,639)	(2,984,797)	(2,741,910)	(3,178,872)
$ -	$ -	$ -	$ -	$ -	$ -
$ 30,860,097	$ 29,736,093	$ 30,804,102	$ 29,696,638	$ 29,529,139	$ 29,706,482
9.70%	9.42%	8.39%	10.05%	9.29%	10.70%

Seaford Union Free School District, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	2026 (3)	2025 (2)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	0.017489%	0.017941%	0.019160%	0.021951%
School District's proportionate share of the net pension liability (asset)	$ 986,674	$ 3,076,050	$ 2,821,152	$ 4,707,188
School District's covered payroll	$ 7,256,191	$ 7,256,191	$ 7,385,118	$ 6,372,997
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	13.60%	42.39%	38.20%	73.86%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	$ 1,121,714	$ 1,115,775	$ 930,316	$ 785,970
Contributions in relation to the contractually required contribution	(1,121,714)	(1,115,775)	(930,316)	(785,970)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 7,487,528	$ 7,487,528	$ 7,167,195	$ 6,167,195
Contributions as a percentage of covered payroll	14.98%	14.90%	12.98%	12.74%

(1) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.
(2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
(3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2022 (3)	2021 (3)	2020 (2)	2019	2018	2017
0.022343%	0.019959%	0.020516%	0.0209504%	0.021828%	0.021237%
$ (1,826,430)	$ 19,874	$ 5,432,692	$ 1,484,402	$ 704,471	$ 1,995,496
$ 5,990,831	$ 5,822,673	$ 5,721,381	$ 5,444,243	$ 5,459,752	$ 5,479,693
(30.49)%	0.34%	94.95%	27.27%	12.90%	36.42%
103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

2022	2021	2020	2019	2018	2017
$ 817,742	$ 825,101	$ 775,951	$ 829,997	$ 837,252	$ 773,346
(817,742)	(825,101)	(775,951)	(829,997)	(837,252)	(773,346)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,980,623	$ 5,822,673	$ 5,664,240	$ 5,671,824	$ 5,560,091	$ 5,671,824
13.67%	14.17%	13.70%	14.63%	15.06%	13.63%

Seaford Union Free School District, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	$ 56,825,198	$ 57,869,441	$ 57,869,441	$ -
OTHER TAX ITEMS				
Payments in lieu of taxes	725,000	725,000	780,569	55,569
School tax relief reimbursement	4,600,000	3,555,757	3,555,757	-
Interest and penalties on taxes	45,000	45,000	55,475	10,475
	5,370,000	4,325,757	4,391,801	66,044
CHARGES FOR SERVICES				
Day school tuition - Other districts	420,000	420,000	377,557	(42,443)
Health services - Other districts	450,000	450,000	486,224	36,224
Other services for other districts and other governments	25,000	25,000	-	(25,000)
	895,000	895,000	863,781	(31,219)
USE OF MONEY AND PROPERTY				
Earnings on investments	550,000	550,000	1,108,619	558,619
Rental of real property	60,000	60,000	47,832	(12,168)
	610,000	610,000	1,156,451	546,451
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	-	-	13,660	13,660
STATE AID				
Basic formula	16,847,821	16,847,821	16,097,445	(750,376)
BOCES	2,360,136	2,360,136	2,287,628	(72,508)
Textbooks	136,908	136,908	137,237	329
Computer software	70,688	70,688	46,388	(24,300)
Library	17,000	17,000	16,043	(957)
Other	-	-	10,867	10,867
	19,432,553	19,432,553	18,595,608	(836,945)
FEDERAL AID				
Medicaid assistance	40,000	40,000	89,487	49,487

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget
MISCELLANEOUS				
Refund of prior year's expenditures	$ 135,000	$ 135,000	$ 135,950	$ 950
Gifts and donations	5,000	12,500	7,500	(5,000)
Other	85,000	89,241	162,166	72,925
	225,000	236,741	305,616	68,875
TOTAL REVENUES	83,397,751	83,409,492	83,285,845	(123,647)
OTHER FINANCING SOURCES				
Transfers in				
School Lunch Fund	70,000	70,000	11,301	(58,699)
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 83,467,751	$ 83,479,492	$ 83,297,146	$ (182,346)

See independent auditors' report.

Seaford Union Free School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 8,000	$ 7,600	$ 5,677	$ -	$ (1,923)
District clerk	40,300	41,980	37,808	-	(4,172)
District meeting	14,000	14,000	8,337	-	(5,663)
Total Board of Education	62,300	63,580	51,822	-	(11,758)
CENTRAL ADMINISTRATION					
Chief school administrator	405,590	404,840	400,837	-	(4,003)
FINANCE					
Business administration	675,120	653,508	643,692	-	(9,816)
Auditing	63,985	70,485	27,735	42,750	-
Treasurer	118,050	120,534	120,534	-	-
Total Finance	857,155	844,527	791,961	42,750	(9,816)
STAFF					
Legal	279,500	279,500	209,241	-	(70,259)
Personnel	295,465	309,354	286,078	-	(23,276)
Public information and services	73,000	68,000	62,997	-	(5,003)
Total Staff	647,965	656,854	558,316	-	(98,538)
CENTRAL SERVICES					
Operation and maintenance of plant	5,605,468	5,770,802	5,344,589	101,082	(325,131)
Central data processing	4,920	4,920	4,500	-	(420)
Total Central Services	5,610,388	5,775,722	5,349,089	101,082	(325,551)
SPECIAL ITEMS					
Unallocated insurance	598,500	539,733	529,317	-	(10,416)
School association dues	25,000	25,000	22,191	-	(2,809)
Administrative charge - BOCES	360,000	362,469	359,643	-	(2,826)
Total Special Items	983,500	927,202	911,151	-	(16,051)
Total General Support	8,566,898	8,672,725	8,063,176	143,832	(465,717)
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,201,594	1,286,418	1,203,636	-	(82,782)
Supervision	2,076,687	2,165,257	2,149,198	436	(15,623)
Research, planning and evaluation	52,000	53,024	31,548	-	(21,476)
Total Instruction, Administration and Improvement	3,330,281	3,504,699	3,384,382	436	(119,881)

Seaford Union Free School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	$ 24,686,513	$ 25,200,965	$ 24,725,569	$ 6,425	$ (468,971)
PROGRAMS FOR STUDENTS WITH DISABILITIES	12,517,764	11,193,675	10,156,570	14,331	(1,022,774)
OCCUPATIONAL EDUCATION	743,483	806,075	799,644	-	(6,431)
TEACHING - SPECIAL SCHOOLS	75,335	71,189	62,689	-	(8,500)
INSTRUCTIONAL MEDIA					
School library and audiovisual	610,839	828,227	744,111	-	(84,116)
Computer assisted instruction	2,764,156	2,429,344	2,309,943	7,430	(111,971)
Total Instructional Media	3,374,995	3,257,571	3,054,054	7,430	(196,087)
PUPIL SERVICES					
Attendance - Regular school	97,028	97,028	97,028	-	-
Guidance - Regular school	860,044	840,831	837,898	-	(2,933)
Health services - Regular school	752,266	839,680	647,975	-	(191,705)
Psychological services - Regular school	983,818	887,987	879,736	-	(8,251)
Social work services - Regular school	408,573	428,504	427,063	-	(1,441)
Co-curricular activities - Regular school	326,744	417,426	407,021	-	(10,405)
Interscholastic athletics - Regular school	1,063,266	1,184,574	1,146,437	-	(38,137)
Total Pupil Services	4,491,739	4,696,030	4,443,158	-	(252,872)
Total Instruction	49,220,110	48,730,204	46,626,066	28,622	(2,075,516)
PUPIL TRANSPORTATION					
District transportation services	209,995	223,253	216,401	-	(6,852)
Contract transportation	4,835,193	4,084,428	4,054,684	-	(29,744)
Total Pupil Transportation	5,045,188	4,307,681	4,271,085	-	(36,596)
COMMUNITY SERVICES					
Bookroom	20,000	20,000	13,590	-	(6,410)
EMPLOYEE BENEFITS					
State retirement	975,000	1,110,000	1,057,521	-	(52,479)
Teachers' retirement	3,200,000	3,377,918	3,314,749	-	(63,169)
Social security	3,300,000	3,254,946	3,206,660	-	(48,286)
Life insurance	3,000	3,000	2,002	-	(998)
Hospital, medical and dental insurance	11,975,000	11,600,058	11,486,880	-	(113,178)
Workers' compensation	325,000	405,000	401,071	-	(3,929)
Unemployment benefits	25,000	25,000	7,118	-	(17,882)
Disability insurance	105,000	105,000	58,104	-	(46,896)
Other	275,000	834,979	833,509	-	(1,470)
Total Employee Benefits	20,183,000	20,715,901	20,367,614	-	(348,287)

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Concluded)
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
DEBT SERVICE					
Interest					
Tax anticipation note	$ 160,000	$ 190,667	$ 190,667	$ -	$ -
TOTAL EXPENDITURES	83,195,196	82,637,178	79,532,198	172,454	(2,932,526)
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	800,000	8,300,000	8,300,000	-	-
Special Aid Fund	70,000	125,000	114,332	-	(10,668)
Debt Service Fund	1,318,902	1,833,661	1,833,661	-	-
TOTAL OTHER FINANCING USES	2,188,902	10,258,661	10,247,993	-	(10,668)
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 85,384,098	$ 92,895,839	$ 89,780,191	$ 172,454	$ (2,943,194)

See independent auditors' report.

Seaford Union Free School District, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project Through June 30, 2026

PROJECT	Authorization	Expenditures and Transfers to Date: Prior Years	Expenditures and Transfers to Date: Current Year	Expenditures and Transfers to Date: Total	Unexpended Balance
Capital Improvements - High School	$ 8,872,741	$ 6,492,977	$ 795,138	$ 7,288,115	$ 1,584,626
Capital Improvements - Middle School	5,580,949	1,332,232	4,058,234	5,390,466	190,483
Capital Improvements - Manor School	4,978,405	1,432,370	466,578	1,898,948	3,079,457
Capital Improvements - Harbor School	5,596,094	2,584,755	362,598	2,947,353	2,648,741
Energy Performance Contract	3,289,503	3,279,303	-	3,279,303	10,200
Leases	67,830	-	67,830	67,830	-
Totals	$ 28,385,522	$ 15,121,637	$ 5,750,378	$ 20,872,015	$ 7,513,507

See independent auditors' report.

Methods of Financing					
Proceeds of Obligations	Transfers In	Federal Aid	State Aid	Total	Fund Balance at June 30, 2026
$ -	$ 8,356,422	$ -	$ 200,500	$ 8,556,922	$ 1,268,807
-	5,575,747	-	-	5,575,747	185,281
-	4,705,057	-	273,348	4,978,405	3,079,457
-	5,588,594	-	-	5,588,594	2,641,241
3,289,503	-	-	-	3,289,503	10,200
67,830	-	-	-	67,830	-
$ 3,357,333	$ 24,225,820	$ -	$ 473,848	$ 28,057,001	$ 7,184,986

Seaford Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2026

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	$ 561,036	$ 286,882	$ 40,097	$ 888,015
Investments	-	88,017	-	88,017
Receivables				
State and Federal aid	188,604	-	-	188,604
Due from other funds	-	-	1,834	1,834
	188,604	-	1,834	190,438
Inventories	9,825	-	-	9,825
Total Assets	$ 759,465	$ 374,899	$ 41,931	$ 1,176,295
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 88,743	$ -	$ -	$ 88,743
Deposits payable	-	6,223	-	6,223
Due to other funds	11,301	-	-	11,301
Unearned revenues	25,334	-	-	25,334
Total Liabilities	125,378	6,223	-	131,601
Fund balances				
Nonspendable	9,825	-	-	9,825
Restricted	-	368,676	41,931	410,607
Assigned	624,262	-	-	624,262
Total Fund Balances	634,087	368,676	41,931	1,044,694
Total Liabilities and Fund Balances	$ 759,465	$ 374,899	$ 41,931	$ 1,176,295

See independent auditors' report.

Seaford Union Free School District, New York

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2026

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	$ -	$ 2,510	$ 20,603	$ 23,113
State aid	866,683	-	-	866,683
Federal aid	328,341	-	-	328,341
Food sales	400,622	-	-	400,622
Miscellaneous	-	404,031	-	404,031
Total Revenues	1,595,646	406,541	20,603	2,022,790
EXPENDITURES				
Current				
Cost of food sales	1,321,806	-	-	1,321,806
Other	-	276,174	-	276,174
Debt service				
Principal	-	-	1,660,026	1,660,026
Interest	-	-	268,823	268,823
Total Expenditures	1,321,806	276,174	1,928,849	3,526,829
Excess (Deficiency) of Revenues Over Expenditures	273,840	130,367	(1,908,246)	(1,504,039)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,833,661	1,833,661
Transfers out	(11,301)	-	-	(11,301)
Total Other Financing Sources (Uses)	(11,301)	-	1,833,661	1,822,360
Net Change in Fund Balances	262,539	130,367	(74,585)	318,321
FUND BALANCES				
Beginning of Year	371,548	238,309	116,516	726,373
End of Year	$ 634,087	$ 368,676	$ 41,931	$ 1,044,694

See independent auditors' report.

Seaford Union Free School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2026

Adopted Budget	$ 85,092,751
Additions - Encumbrances	291,347
Original Budget	85,384,098
Budget Amendments	7,511,741
Final Budget	$ 92,895,839

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2026-27 Expenditure Budget		$ 86,302,965
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	$ 1,172,454	
Unassigned fund balance	3,317,550	
Total Unrestricted Fund Balance	4,490,004	
Less		
Appropriated for subsequent year's budget	1,000,000	
Encumbrances	172,454	
Total Adjustments	1,172,454	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 3,317,550
Actual Percentage		3.84%

See independent auditors' report.

Seaford Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2026

Capital Assets, net		$ 34,143,539
Less		
General obligation bonds payable - Capital construction	$ (7,960,000)	
Leases payable	(957,352)	
Unamortized portion of issuance premium on bonds	(335,731)	(9,253,083)
Plus		
Unexpended bond proceeds	10,200	
Unamortized portion of loss on refunding bonds	218,776	228,976
Net Investment in Capital Assets		$ 25,119,432

See independent auditors' report.

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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*

Independent Auditors' Report

The Board of Education of the
Seaford Union Free School District, 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 the Seaford Union Free School District, New York ("School District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 6, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 6, 2026