PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 31, 2022

NEW ISSUE **TAX ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "Tax Matters" herein).

The District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

$38,495,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

Date of Issue: September 21, 2022 **Maturity Date: June 28, 2023**

The Notes are general obligations of the South Huntington Union Free School District, in Suffolk County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to certain statutory limitations. (See "*The Tax Levy Limit Law*" herein.)

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

The Notes will be issued in registered form and, at the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

If the Notes are registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidders.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See *"Book-Entry-Only System"* herein).

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on September 7, 2022 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Munistat Services, Inc. has served as Municipal Advisor to the District in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made in New York, New York or as otherwise agreed on or about September 21, 2022.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

September , 2022

*Preliminary, subject to change.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

60 Weston Street
Huntington Station, New York 11746
Telephone: 631/812-3001
Fax: 631/812-3005

BOARD OF EDUCATION

Nicholas R. Ciappetta, J.D., President
Linda O. Lacara, Vice President

Board Members

William Biangaso
Andrew D. Bronson
Frederick Scragg
Sidney B. Joyner
Erin Heijer

Dr. Vito D'Elia, Superintendent of Schools
Dr. Joseph T. Centamore, Deputy Superintendent for Business and District Operations
Regina Caliendo, District Clerk
Christine Rapp, District Treasurer

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

Munistat
Municipal Financial Advisory Service
Since 1977

Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: http://www.munistat.com

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor there any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

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OFFICIAL STATEMENT

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

Relating To

$38,495,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

This Official Statement, including the cover page and appendix hereto, presents certain information relating to the South Huntington Union Free School District in the County of Suffolk, State of New York (the "District," "County" and "State," respectively) in connection with the sale of $38,495,000* Tax Anticipation Notes for 2022-2023 Taxes (the "Notes").

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has affected education, travel, commerce, financial markets globally and economic growth worldwide. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this world-wide event. (See "RISK FACTORS" and "IMPACT OF COVID-19" herein.)

THE NOTES

Description

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The District will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The District's contact information is as follows: Joseph T. Centamore, Deputy Superintendent for Business and District Operations, South Huntington Union Free School District, 60 Weston Street, Huntington Station, NY 11746, Phone (631) 812-3008, Fax (631) 812-3005 and email: jcentamore@shufsd.org.

Optional Redemption

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

Book-entry-only System

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

*Preliminary, subject to change.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

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

Source: The Depository Trust Company

Authorization for and Purpose of Notes

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District to finance cash flow requirements in anticipation of the collection of 2022-2023 real property taxes levied for school purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes have been or are to be levied, as specified in the 2022-2023 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax anticipation or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2022-2023 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

Security and Source of Payment

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, subject to certain statutory limitations imposed by the Chapter 97 of the New York Laws of 2011, as amended. See "*The Tax Levy Limit Law*" herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law, (herein referred to as the "Tax Levy Limit Law" or "Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such year to year increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes, and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law,"* herein.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owner of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk* v. *Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

SECTION 99-B OF THE STATE FINANCE LAW APPLICABLE TO SCHOOL DISTRICTS

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

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

NO PAST DUE DEBT

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

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

THE DISTRICT

Description

The District, located in the Town of Huntington comprises an area of approximately 10 square miles on the eastern side of the boundary line between Nassau and Suffolk Counties on Long Island. Located about 35 miles from New York City, the District is residential in nature but includes some significant commercial development, such as the Walt Whitman Shopping Center and other retail and banking establishments on New York State Route 110, which traverses the District. In addition to employment opportunities in or near the District, many residents commute to New York City or Nassau County.

Public utility services, fire and police protection are provided to residents of the District by Suffolk County Water Authority, PSEG Long Island, Huntington Township Refuse, Huntington Manor Fire Department, Suffolk County Police Department and Verizon.

Air transportation is available at the New York metropolitan airports; the Long Island Railroad has two stations located just outside the District. In addition, the District is served by the Long Island Expressway, New York State Routes 25 and 110 and numerous County and other local roads providing adequate surface transportation.

District Organization

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

Members of the Board of Education are elected on a staggered term basis by qualified voters at the annual election of the District held in the spring of each year. The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

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

Enrollment History

School Year	School Enrollment
2016-2017	6,087
2017-2018	5,913
2018-2019	5,801
2019-2020	5,882
2020-2021	5,646
2021-2022	5,643

Estimated Future District Enrollment

School Year	School Enrollment
2022-2023	5,682
2023-2024	5,618

School Facilities and Insurable Values

Name of School	Year Originally Built	Type	Insured Value
Walt Whitman High	1956, 1963	Secondary	$106,255,014
Memorial	1958	Leased	56,790,609
Stimson Jr. High	1964	Secondary	50,481,480
Birchwood	1955	Elementary	24,807,399
Countrywood	1964, 1966	Elementary	27,212,582
Maplewood	1956, 1961	Elementary	22,708,541
Oakwood	1955, 1966	Elementary	26,452,394
Silas Wood	1951, 1964	Secondary	25,918,246
West Hill	1958	Admin. Bldg	12,937,284
#2 Melville Road	1975	Leased	6,362,486
Teen Center	1961	Leased/Alt. H.S.	1,502,798
Bus Garage	2008	Transp. Bldg	3,064,058
South Huntington Library	2004	Library	9,427,334

Employees

The District provides services through approximately 1,097 employees, the majority of whom are represented by the following units of organized labor:

Name of Union	Expiration Date of Contract[a]	Approx. No. of Members
South Huntington Teachers' Association	06/30/24	560
South Huntington Administrators' s Association	06/30/23	31
United Public Service Employees Local 424-Custodians	06/30/20	126
South Huntington Office Staff Association	06/30/23	78
United Public Service Employees Local 424-School Lunch Workers	06/30/23	40
South Huntington Registered Nurses Association	06/30/23	14
South Huntington Paraprofessionals Association	06/30/25	215
South Huntington Chairpersons Association	06/30/23	4
United Public Service Employees Local 424 - Security	06/30/23	21
United Public Service Employees Local 424 - Security - Safety Officers Unit	06/30/23	24

a. Expired contracts are currently in negotiations.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth estimated population statistics for the Town of Huntington, Suffolk County and the State of New York.

Year	Town of Huntington	Suffolk County	New York State
1980	201,530	1,284,231	17,558,165
1990	191,474	1,321,864	18,044,505
2000	195,269	1,419,369	18,976,457
2010	203,264	1,493,350	19,378,102
2020	201,205	1,481,364	19,514,849

Source: U.S. Bureau of the Census, District Officials and Long Island Power Authority.

Income Data

	Per Capita Money Income			
	1990	2000	2010	2020[a]
Town of Huntington	$24,810	$36,390	$45,590	$61,103
Suffolk County	18,481	26,577	35,411	46,466
New York State	16,501	23,389	30,791	40,898

	Median Household Income			
	1990	2000	2010	2020[a]
Town of Huntington	$60,530	$82,528	$101,495	$151,720
Suffolk County	49,128	65,288	84,235	123,117
New York State	32,965	43,393	55,217	87,270

Source: United States Bureau of the Census
a. Based on American Community Survey 1-Year Estimate (2020)

Largest Employers

Code	Name of Employer	Nature of Business
A	South Huntington UFSD	Education
B	Walt Whitman Centre, Inc.	Shopping Mall
B	Target, Inc.	Retail

KEY:

Code	Number of Employees
A	more than 1,000
B	500-100

Source: Town of Islip Economic Development Division.
a. Not all of the employers are located in the District.

Unemployment Rate Statistics

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

Annual Averages:	Town of Huntington (%)	Suffolk County (%)	New York State (%)
2016	3.7	4.3	4.9
2017	4.0	4.4	4.6
2018	3.4	3.9	4.1
2019	3.3	3.7	4.0
2020	7.9	8.5	10.0
2021	4.5	4.9	7.2
2022 (6 Month Average)	3.0	3.3	4.7

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE DISTRICT

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes (such as the Notes) or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. (See *"The Tax Levy Limit Law"* herein).

Statutory Procedure

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

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principle amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

The following table sets forth the computation of the debt limit of the District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin
(As of August 31, 2022)

In Town of:	Assessed Valuation	State Equalization Rate (%)	Full Valuation
Huntington (2020-2021)[a]	$42,655,348	0.74	$5,764,236,216
Debt Limit - 10% of Full Valuation			576,423,622
Inclusions:[b]			
Outstanding Bonds			$16,410,000
Total Indebtedness			16,410,000
Exclusions (Estimated Building Aid)[c]			6,820,533
Total Net Indebtedness			9,589,467
Net Debt Contracting Margin			$566,834,155
Per Cent of Debt Contracting Margin Exhausted (%)			1.66%

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

Details of Short-Term Indebtedness Outstanding

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

Outstanding Long-Term Bond Indebtedness

The following table sets forth the total long-term bond indebtedness outstanding at the end of the last five completed fiscal years.

Trend of Outstanding Debt

	2018	2019	2020	2021	2022
Bonds	$30,140,000	$26,590,000	$22,965,000	$19,715,000	$16,410,000
BANs	0	0	0	0	0
Other	0	0	0	0	0
Total:	$30,140,000	$26,590,000	$22,965,000	$19,715,000	$16,410,000

Debt Service Requirements - Outstanding Bonds[a]

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 3,458,781	$ 328,000	$ 3,786,781
2024	3,446,769	346,500	3,793,269
2025	3,011,313	338,500	3,349,813
2026	2,956,000	330,250	3,286,250
2027	2,549,581	321,750	2,871,331
2028	1,822,450	308,000	2,130,450
2029	1,385,225	297,000	1,682,225
2030	311,250	286,000	597,250
Totals:	$18,941,369	$2,556,000	$21,497,369

a. Does not include payments made to date, if any.

Debt Service Requirements – Energy Performance Contract[a]

Fiscal Year Ending June 30:	Principal	Interest	Total
2022-2026	$4,474,935	$726,478	$5,201,413
2027	1,001,524	38,759	1,040,283
Totals:	$5,476,459	$765,237	$6,241,696

a. Does not include payments made to date, if any.

Revenue and Tax Anticipation Notes

The District has generally found it necessary to borrow from time to time in anticipation of taxes and revenues, which borrowing is necessitated by the schedule of real property tax and State aid revenue payments.

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

Fiscal Year Ending June 30:	Amount	Type	Issue	Maturity
2018	$17,500,000	TAN	10/17/2017	06/27/2018
2019	19,500,000	TAN	10/24/2018	06/27/2019
2020	26,500,000	TAN	10/29/2019	06/25/2020
2021	32,000,000	TAN	10/08/2020	06/25/2021
2022	35,000,000	TAN	09/29/2021	06/24/2022

Authorized But Unissued Items

As of the date of this Official Statement the District has no authorized and unissued items.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	03/21/2022	2.92	$41,816,672	$34,449,452
Town of Huntington	07/05/2022	13.81	12,900,035	12,900,035
Fire Districts (Est.)	12/31/2021	Var.	455,000	455,000
Totals			$55,171,707	$47,804,487

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

Debt Ratios
(As of August 31, 2022)

	Amount	Per Capita[a]	Percentage Of Full Value (%)[b]
Total Direct Debt	$16,410,000	$416	0.28
Net Direct Debt	9,589,467	243	0.17
Total Direct & Applicable Total Overlapping Debt	71,581,707	1,813	1.24
Net Direct & Applicable Net Overlapping Debt	57,393,954	1,454	1.00

a. The current estimated population of the District is 39,476.
b. The full valuation of taxable real property in the District for 2020-21 is $5,764,236,216.

FINANCES OF THE DISTRICT

Impact of COVID-19

The District has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs related to cleaning supplies and equipment, desk shields and personal protection equipment the aggregate cost of which total approximately $1,338,239.22. The District has paid such costs from budgetary appropriations and/or available funds. The District does not believe that the increased costs described above or potential reductions in State aid will have a material adverse impact on the finances of the District. (See also "*State Aid*" herein.)

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

The District has received $810,900 in CARES Act funding and is expected to receive a total of $5,630,692 through CRRSA Funding and $9,553,469 through ARP funding. (See also "*State Aid*" herein.)

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2021. A copy of such report is included herein as Appendix B.

Investment Policy

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

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

Fund Structure and Accounts

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

Basis of Accounting

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

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

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

Budget Process

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

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

Revenues

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

Real Property Taxes

See *"Tax Information"* herein.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the school districts can be paid only if the State has such monies available for such payment.

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2016 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid to Revenues (%)
2016	$150,445,682	$31,386,968	20.86
2017	152,928,623	33,589,419	21.96
2018	156,663,224	35,344,669	22.56
2019	161,414,581	36,339,210	22.51
2020	163,891,121	36,442,228	22.24
2021	166,987,909	35,641,000	21.34
2022 (Budgeted) [a]	184,937,763	46,421,675	25.10
2023 (Budgeted) [a]	195,504,039	58,393,951	29.87

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

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

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

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

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

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

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

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

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

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

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

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. (See also "*School district fiscal year (2021-2022)*" under the subheading "*Events Affecting State Aid to New York School Districts*" herein.)

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

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

Events Affecting State Aid to New York School Districts

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

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

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

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

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

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

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

Expenditures

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

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

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

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

The most current applicable report of OSC designates the District as "No Designation" (Fiscal Score: 18.3%; Environmental Score: 38.3%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit was released on July 22, 2016. The purpose of the audit was to evaluate the District's financial condition for the period July 1, 2014 through December 31, 2015. The complete report may be found on the State Comptroller's official website

References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Employee Pension System

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

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

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

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

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, various forms of legislation have been enacted that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund in the 2018-2019 fiscal year.

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

Fiscal Year Ending June 30:	TRS	ERS
2018	$6,378,389	$2,636,644
2019	7,293,717	2,511,387
2020	6,279,153	2,305,705
2021	6,758,732	2,364,438
2022	7,359,395	2,447,551
2023 (Budgeted)	8,000,000	1,900,000

Source: District Officials.

Other Post-Employment Benefits

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

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

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

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

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost. Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The District's total OPEB liability at June 30, 2021 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending June 30, 2021
Total OPEB Liability at June 30, 2020	$219,923,002
Charges for the Year:	
Service Cost	7,216,783
Interest	4,685,046
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(718,837)
Changes in Assumptions or Other Inputs	1,984,439
Benefit Payments	(5,171,271)
Net Changes	$7,996,160
Total OPEB Liability at June 30, 2021	$227,919,162

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

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

TAX INFORMATION

Real Property Taxes

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Town of Huntington. Assessment valuations are determined by the Town assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations; however, see "*The Tax Levy Limit Law*" herein for a discussion of certain statutory limitation that have been imposed

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

Fiscal Year Ending June 30:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2017	$152,928,623	$ 98,365,162	64.32
2018	156,663,224	100,213,468	63.97
2019	161,414,581	103,200,817	63.94
2020	163,891,121	107,909,062	65.84
2021	166,987,909	111,113,416	66.54
2022 (Budgeted) [a]	184,937,763	121,832,088	65.88
2023 (Budgeted) [a]	195,504,039	121,832,088	62.32

Source: Audited Financial Statements of the District and Adopted Budgets of the District.
a. Budgeted estimates for real property taxes include STAR. Budgeted estimates for total revenues include appropriations of fund balance.

Tax Collection Procedure

Property taxes for the District, together with County, Town and Fire District taxes, are collected by the Town Tax Receiver. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and 10% after May 31.

The Town Tax Receiver distributes the collected tax money to the Town, fire and school districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receivers and any deficiency in tax collection is the County's liability. The District thereby is assured of full tax collection.

The Tax Levy Limit Law

Chapter 97 of the New York Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Under the Tax Levy Limit Law, there is now 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 consumer price index, subject to certain exclusions as mentioned below and as described in the Law. 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.

The 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 Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $66,800 for the 2018-19 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

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

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

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the Credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

The State's 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to $250,000, compared with a $500,000 limit for the credit.

Approximately 1% of the District's 2021-2022 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 1% of the District's 2022-2023 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2023. (See *"State Aid"* herein).

Valuations, Rates and Levies

The following table sets forth District's assessed and full valuations, tax rates and levies for each of the years 2017 through 2022.

Fiscal Year Ending June 30	Assessed Valuation	State Equal. Rate (%)	Full Valuation	Tax Rate Per $1,000 Assessed Valuation	Tax Levy
2017	$43,514,220	0.85	$5,119,320,000	$2,553.92	$110,621,172
2018	43,085,091	0.84	5,129,177,500	2,603.77	112,183,534
2019	42,844,014	0.80	5,355,501,750	2,603.77	114,599,826
2020	42,735,923	0.76	5,623,147,763	2,759.78	117,893,641
2021	42,655,348	0.74	5,764,236,216	2,825.79	121,832,088
2022	42,544,757	0.74	5,749,291,486	2,861.36	121,832,467

Source: Town Huntington.

Selected Listing of Large Taxable Properties in the District
2021-2022 Assessment Roll

Name	Type	Assessed Valuation
The Retail Property Trust	Shopping Center	$2,000,000
Long Island Power Authority	Utility	429,357
Federal Realty Investment Trust	Commercial	385,000
Target Corporation	Shopping Center	203,250
Keyspan Corporation	Utility	187,242
S & L Birchwood Realty, LLC	Commercial	80,000
K98 Senior LLC	Home for Aged	80,000
Cold Spring Country Club Inc.	Golf Course	76,168
CAF Huntington LLC	Commercial	72,500
Weiss Family Enterprises LLC	Commercial	71,900
Hren B Realty LLC	Commercial	70,000
Kahn Property Owner LLC	Shopping Center	69,400
LG Other Associates LLC	Commercial	66,775
Verizon	Utility	65,886
CCD Realty LLC	Commercial	62,000
	Total	$3,919,478

Source: Town Assessment Roll.
a. Represents 9.19% of the Assessed Valuation of the District for 2020-2021.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District.

Two lawsuits have been commenced against the District under the Child Victim's Act. The plaintiffs allege instances of sexual assault by former District employees. The District denies all allegations and liability in each lawsuit. Both matters are being handled by the District's insurer under a reservation of rights, meaning that the insurer on these cases reserves the right to assert that it should not have to cover these claims. One of the lawsuits involves claims against the Boy Scouts and the District and that lawsuit has been stayed as the Boy Scouts have filed for Bankruptcy relief. The other lawsuit is currently being defended by the law firm assigned by the District's insurer but the District's insurer has informed the District that the claims may not be covered fully meaning that any liability not covered by the insurer will be a District charge and would be funded either through budgetary appropriations or through the issuance of bonds.

CYBERSECURITY

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

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 pandemic and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for extended periods. The spread of the outbreak or resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*The Tax Levy Limit Law*" under "TAX INFORMATION" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "note premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix D hereto.

DISCLOSURE UNDERTAKING

In order to assist the purchasers of the Notes in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will execute an "Undertaking to Provide Continuing Disclosure", substantially in the form of which is attached hereto as Appendix E.

RATING

The Notes are not rated. Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, has assigned a rating of "Aa2" to the outstanding long-term bonds of the District. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

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

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of the District: Joseph T. Centamore, Deputy Superintendent for Business and District Operations, South Huntington Union Free School District, 60 Weston Street, Huntington Station, NY 11746, Phone (631) 812-3008, Fax (631) 812-3005 and email: jcentamore@shufsd.org or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or owners of any of the Notes.

By: s/s NICHOLAS R. CIAPPETTA J.D.
President of the Board of Education
South Huntington Union Free School District
South Huntington, New York

September , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund

	Fiscal Year Ending June 30:				
	2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	$ 98,365,162	$ 100,213,468	$ 103,200,817	$ 107,909,062	$ 111,113,416
Other Tax Items - Including STAR	12,256,975	11,971,606	11,402,875	9,994,227	9,534,917
Charges for Services	2,340,773	2,436,146	2,488,327	2,553,751	2,920,719
Use of Money and Property	1,439,568	1,716,780	2,108,302	1,733,606	1,380,980
Sale of Property & Compensation for Loss	16,587	7,979	136,367	17,018	24,736
Miscellaneous	1,341,169	1,138,135	1,549,787	1,086,593	1,688,924
Interfund Revenues	3,112,670	3,422,536	3,485,473	3,558,892	3,401,171
State Sources	33,589,419	35,344,669	36,339,210	36,442,228	35,641,000
Federal Sources	466,300	411,905	703,423	595,744	1,282,046
Total Revenues	152,928,623	156,663,224	161,414,581	163,891,121	166,987,909
Expenditures:					
General Support	13,754,279	13,864,851	14,565,780	14,397,271	15,094,550
Instruction	87,774,466	88,226,043	93,300,801	96,792,864	100,989,177
Pupil Transportation	8,755,026	9,154,718	9,512,690	7,817,390	10,606,070
Community Service	19,169	12,704	13,213	14,977	35,042
Employee Benefits	35,973,558	36,831,104	38,700,964	37,529,985	38,287,396
Debt Service	6,708,040	6,527,598	6,259,890	5,761,257	5,736,150
Total Expenditures	152,984,538	154,617,018	162,353,338	162,313,744	170,748,385
Other Sources and Uses:					
Operating Transfers (In)	0	0	0	0	0
Operating Transfers (Out)	(1,310,941)	(1,372,190)	(1,333,648)	(1,412,744)	(2,180,000)
Total Other Sources and Uses	(1,310,941)	(1,372,190)	(1,333,648)	(1,412,744)	(2,180,000)
Excess (Deficit) Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,366,856)	674,016	(2,272,405)	164,633	(5,940,476)
Net Adjustments to Fund Balances		(493,294)			
Fund Balance - Beg. of Year	35,014,580	33,647,724	33,828,446	31,556,041	31,720,674
Fund Balance - End of Year	$ 33,647,724	$ 33,828,446	$ 31,556,041	$ 31,720,674	$ 25,780,198

Sources: Audited Financial Statements of the District (2017-2021)
NOTE: This table NOT audited

Balance Sheet
General Fund

	Fiscal Year Ended June 30: 2020	2021
Assets:		
Cash - Unrestricted	$ 15,445,015	$ 15,208,170
Cash - Restricted	18,068,774	14,473,304
Accounts Receivable	242,243	58,167
State and Federal Aid	1,349,621	1,426,691
Due From Other Governments	2,351,993	2,364,259
Due From Other Funds	3,811,648	4,070,723
Due to Fiduciary Funds	528,433	
Total Assets	$ 41,797,727	$ 37,601,314
Liabilities:		
Accounts Payable	$ 964,429	$ 1,090,589
Accrued Liabilities	83,279	621,144
Due To Other Governments	291,480	507,174
Due To Other Funds	8,280	
Due to Fiduciary Fund	28,900	
Due To Teachers' Retirement System	6,703,846	7,285,156
Due To Employees Retirement System	711,796	727,186
Compensated Absences	301,436	991,226
Unearned Credits - Collections in Advance		
Deferred Revenues	983,607	598,641
Total Liabilities	$ 10,077,053	$ 11,821,116
Fund Balances:		
Non-spendable		
Restricted	18,068,774	14,473,304
Assigned	9,140,723	6,217,259
Unassigned	4,511,177	5,089,635
Total Fund Balances	$ 31,720,674	$ 25,780,198
Total Liabilities and Fund Balances	$ 41,797,727	$ 37,601,314

Sources: Audited Financial Statements of the District (2020-2021)
NOTE: This table NOT audited

Budget Summary

	Fiscal Year Ending June 30: 2021-2022[b]	2022-2023[a]
Revenues:		
Real Property Taxes	$ 121,832,088	$ 121,832,088
State Aid	46,421,675	58,393,951
Use of Money & Property	1,850,000	1,850,000
Reserves	2,600,000	2,500,000
Miscellaneous Income	7,734,000	7,028,000
Appropriated Fund Balance	4,500,000	3,900,000
Total Revenues	$ 184,937,763	$ 195,504,039
Expenditures:		
General Support	$ 15,996,849	$ 17,405,639
Instruction	105,312,082	110,055,309
Pupil Transportation	12,858,156	14,502,730
Community Services	26,700	0
Employee Benefits	40,323,976	42,940,984
Medicare Reimbursements	1,500,000	1,625,000
Debt Service	5,300,000	4,974,377
Interfund Transfers	3,620,000	4,000,000
Total Expenditures	$ 184,937,763	$ 195,504,039

(a) Approved by the voters of the District on May 17, 2022
(b) Approved by the voters of the District on May 18, 2021

APPENDIX B

CASH FLOWS

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
CASH FLOW SUMMARY 2021-2022 (Actual)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	29,681	24,071	19,129	49,413	30,118	17,908	2,523	55,118	58,324	64,884	47,770	53,189	29,681 (1)
Receipts:													
Property Taxes	0	0	0	0	0	836	49,521	15,506	1,225	1,219	15,033	29,548	112,888
Library Taxes	0	0	0	0	0	0	3,036	0	0	0	0	3,036	6,072
STAR Payment	0	0	0	0	0	0	8,944	0	0	0	0	0	8,944
State Aid	0	0	5,563	182	182	385	2,196	182	19,240	0	0	3,105	31,035
Stimulus Funds	0	0	1,126	0	2,646	0	0	0	0	0	0	0	3,772
Other Receipts	1,871	1,203	2,549	2,084	1,105	437	3,349	1,155	3,805	1,041	2,191	1,236	22,026
Trust & Agency Items	0	0	271	282	273	329	306	337	236	314	307	(1,377)	1,278
TAN Proceeds	0	0	35,000	0	0	0	0	0	0	0	0	0	35,000
Total Receipts	1,871	1,203	44,509	2,548	4,206	1,987	67,352	17,180	24,506	2,574	17,531	35,548	221,015
Disbursements													
Salary and Benefits	1,808	1,723	6,900	11,058	7,297	8,572	7,293	7,736	8,418	11,361	7,554	20,085	99,805
Service & Support	4,630	2,904	5,937	6,095	9,119	7,634	5,943	6,238	9,199	6,809	4,260	4,370	73,138
Debt Service	1,043	0	1,388	2	0	1,166	3	0	329	0	2	1,622	5,555
Library Taxes	0	1,518	0	1,518	0	0	1,518	0	0	1,518	0	0	6,072
Other Disbursements	0	0	0	0	0	0	0	0	0	0	296	1,597	1,893
Interfund Transfers	0	0	0	3,170	0	0	0	0	0	0	0	0	3,170
TAN Repayment Provision	0	0	0	0	0	0	0	0	0	0	0	35,000	35,000
TAN Interest Payments	0	0	0	0	0	0	0	0	0	0	0	386	386
Total Disbursements	7,481	6,145	14,225	21,843	16,416	17,372	14,757	13,974	17,946	19,688	12,112	63,060	225,019
Balance (End of Month)	24,071	19,129	49,413	30,118	17,908	2,523	55,118	58,324	64,884	47,770	53,189	25,677	25,677
TAN Repayment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	5,452	0
Receipts	0	0	0	0	0	0	0	0	0	0	5,452	29,548	35,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	35,000	35,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	5,452	0	0

(1) Balance as of June 30, 2021, includes certain restricted reserves of approximately $19.6 million.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
CASH FLOW SUMMARY 2022-2023 (Projected)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	25,677	19,024	13,583	47,886	28,375	12,823	457	47,713	49,675	55,496	37,687	39,939	25,677 (1)
Receipts:													
Property Taxes	0	0	0	0	0	800	50,000	15,000	1,200	1,200	15,000	30,132	113,332
Library Taxes	0	0	0	0	0	0	3,036	0	0	0	0	3,036	6,072
STAR Payment	0	0	0	0	0	0	8,500	0	0	0	0	0	8,500
State Aid	0	0	5,800	230	230	3,400	240	230	20,300	0	0	27,964	58,394
Other Receipts	1,000	950	2,500	2,000	950	1,175	800	800	2,700	800	800	803	15,278
Trust & Agency Items	0	0	271	282	273	329	278	337	236	314	307	778	3,405
TAN Proceeds	0	0	38,495	0	0	0	0	0	0	0	0	0	38,495
Total Receipts	1,000	950	47,066	2,512	1,453	5,704	62,854	16,367	24,436	2,314	16,107	62,713	243,476
Disbursements													
Salary and Benefits	1,808	1,868	7,000	11,500	7,600	9,000	7,600	8,000	8,900	11,500	8,500	22,322	105,598
Service & Support	4,800	3,000	5,000	5,000	9,400	7,900	6,100	6,400	9,400	7,100	5,350	5,400	74,850
Debt Service	1,045	5	763	5	5	1,170	5	5	315	5	5	1,207	4,535
Library Taxes	0	1,518	0	1,518	0	0	1,518	0	0	1,518	0	0	6,072
Interfund Transfers	0	0	0	4,000	0	0	375	0	0	0	0	75	4,450
TAN Repayment Provision	0	0	0	0	0	0	0	0	0	0	0	38,495	38,495
TAN Interest Payments	0	0	0	0	0	0	0	0	0	0	0	400	400
Total Disbursements	7,653	6,391	12,763	22,023	17,005	18,070	15,598	14,405	18,615	20,123	13,855	67,899	234,400
Balance (End of Month)	19,024	13,583	47,886	28,375	12,823	457	47,713	49,675	55,496	37,687	39,939	34,753	34,753
TAN Repayment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	8,363	0
Receipts	0	0	0	0	0	0	0	0	0	0	8,363	30,132	38,495
Disbursements	0	0	0	0	0	0	0	0	0	0	0	38,495	38,495
Closing Balance	0	0	0	0	0	0	0	0	0	0	8,363	0	0

(1) Balance as of June 30, 2022, includes certain restricted reserves of amproximately $18.0 million.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT

APPENDIX C

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

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND /OR UPDATED BY THE DISTRICT'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORT IN THIS OFFICIAL STATEMENT HAS NOT BEEN REQUESTED NOR OBTAINED.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT

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Robert S. Abrams
(1926–2014)

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
South Huntington Union Free School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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Emphasis on Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 1 through 16 and 60 through 64, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary financial 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
September 30, 2021

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The following is a discussion and analysis of the South Huntington Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2021. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- On the District-Wide Financial Statements, revenues increased by $2,168,294 or 1.26%. Most of the increase was in real property taxes and other tax items and operating grants and contributions.

- On the District-Wide Financial Statements, expenses increased by $1,865,200 or 0.99%, primarily due to increases in pupil transportation and instructional expenses.

- The proposed 2021-2022 budget in the amount of $184,937,763 was authorized by the District's residents. The budget passed by 65.25% of those who voted.

- The District was awarded funding in July 2021 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) in the amounts of $5,133,134 for the Elementary and Secondary School Emergency Relief Program (ESSER) and $497,558 for the Governor's Emergency Education Relief Program (GEER).

- The District implemented Government Accounting Standards Board Statement No. 84 (GASB 84), *Fiduciary Activities,* in 2021. This resulted in the restatement of opening net position for the District-Wide financial statements and opening fund balance for the miscellaneous special revenue fund, effective July 1, 2020. See Note 18 for further information.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

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

- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.

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

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

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and relate to one another.

Table A-1: Organization of the District's Annual Financial Report

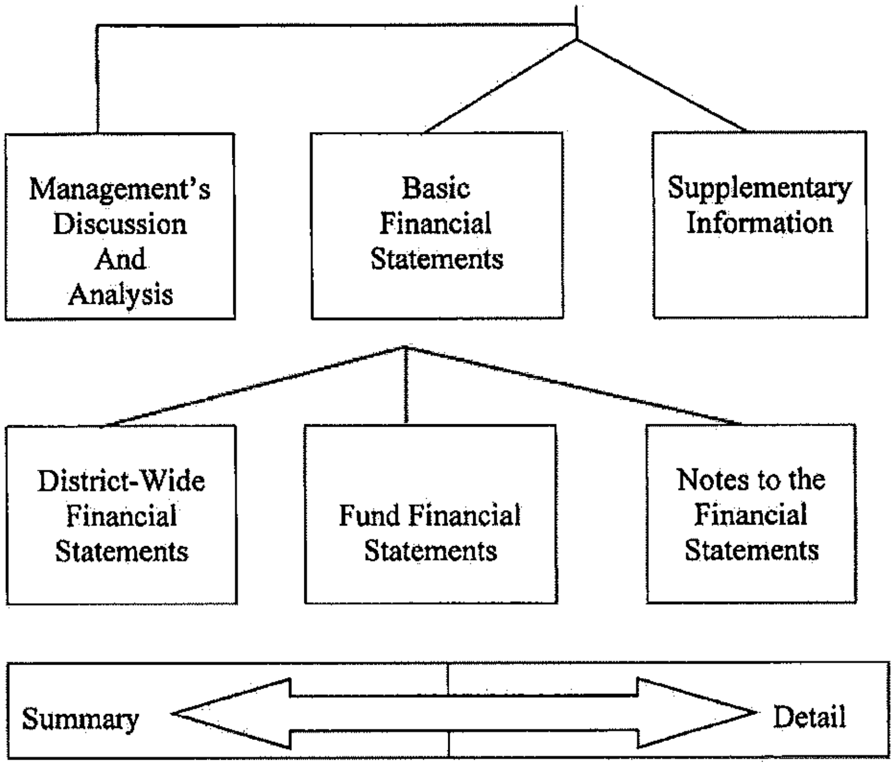


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Table A-2: Major Features of the District-Wide and Fund Financial Statements

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

A) District-Wide Financial Statements:

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

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

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

In the District-Wide Financial Statements, the District's activities are shown as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

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

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

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

B) Fund Financial Statements:

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

The District has two kinds of funds:

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

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position

Current and other assets, current and other liabilities, and restricted net position, unrestricted net position and total net position for 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the trust and agency fund and private purpose fund and now records those activities in the general fund and miscellaneous special revenue fund. See Footnote 18 for further information.

The following is a summary of these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and other assets	$ 45,296,833	$ 44,277,768	$ 1,019,065
Current and other liabilities	10,177,140	9,753,962	423,178
Net Position			
Restricted	18,206,489	18,074,038	132,451
Unrestricted (Deficit)	(175,277,370)	(175,740,806)	463,436
Total Net Position (Deficit)	(133,641,223)	(134,237,110)	595,887

The District's total net deficit increased by $15,886,867 in the fiscal year ended June 30, 2021, as detailed in Table A-3.

Table A-3: Condensed Statement of Net Position-Governmental Activities

	Fiscal Year 2021	As Restated 2020	Increase / (Decrease)	Percentage Change
Current assets and other assets	$ 39,813,514	$ 45,296,833	$ (5,483,319)	(12.11%)
Capital assets, net of accumulated depreciation	54,766,031	53,555,744	1,210,287	2.26%
Net pension asset - proportionate share		10,688,867	(10,688,867)	(100.00%)
Total Assets	94,579,545	109,541,444	(14,961,899)	(13.66%)
Deferred outflows of resources	91,805,533	85,605,675	6,199,858	7.24%
Total Assets and Deferred Outflows of Resources	$ 186,385,078	$ 195,147,119	$ (8,762,041)	(4.49%)
Current and other liabilities	$ 12,129,598	$ 10,177,140	$ 1,952,458	19.18%
Long-term liabilities	280,488,718	276,356,418	4,132,300	1.50%
Total Liabilities	292,618,316	286,533,558	6,084,758	2.12%
Deferred inflows of resources	43,294,852	42,254,784	1,040,068	2.46%
Total Liabilities and Deferred Inflows of Resources	335,913,168	328,788,342	7,124,826	2.17%
Net investment in capital assets	28,315,382	23,429,658	4,885,724	20.85%
Restricted	14,600,142	18,206,489	(3,606,347)	(19.81%)
Unrestricted (deficit)	(192,443,614)	(175,277,370)	(17,166,244)	(9.79%)
Total Net Position (Deficit)	$(149,528,090)	$(133,641,223)	$ (15,886,867)	(11.89%)

Current and other assets decreased by $5,483,319 from 2020 to 2021 primarily due to decreases in restricted and unrestricted cash in the general fund, offset by an increase in state and federal aid receivable.

Capital assets, net of accumulated depreciation increased by $1,210,287 primarily due to capital assets additions exceeding depreciation on capital assets.

Net pension asset - proportionate share for the teachers' retirement system resulted in a net pension liability in the current year as a result of the actuarial valuation provided by the state.

Deferred outflows of resources increased by $6,199,858. This represents contributions to the State Retirement Systems subsequent to the measurement date and actuarial adjustments at the plan level that will be amortized in future years, deferred charges and total other post-employment benefits (OPEB).

Current and other liabilities increased by $1,952,458. This was attributable to increases in accounts payable, accrued liabilities, due to other governments, due to the teachers' and employees' retirement system and compensated absences payable.

Long-term liabilities increased by $4,132,300 due to increases in proportionate share of net pension liability – proportionate share - teachers' retirement system (TRS) and total other post-employment benefits obligation (OPEB), offset by decreases in bonds payable, energy performance contract debt payable, claims payable, compensated absences payable, and net pension liability – proportionate share - employee retirement system (ERS).

Deferred inflows of resources increased by $1,040,068 primarily due to an increase in deferred inflows for ERS offset by decreases in deferred inflows for TRS and deferred inflows for OPEB, which are actuarial adjustments at the plan level, that will be amortized in future years.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings & improvements, and furniture & equipment, net of depreciation and related debt. This number increased from the prior year by $4,885,724 primarily due to capital asset additions and principal payments on related debt.

Restricted net position decreased by $3,606,347 primarily due to the appropriation of the retirement contribution, workers' compensation and employee benefit accrued liability reserves in the 2020-2021 voter approved budget, offset by interest allocated to reserves. The total unrestricted deficit increased by $17,166,244. The total net position deficit increased by $15,886,867.

B) Changes in Net Position

Charges for services – extraclassroom activities, operating grants and contributions – scholarships and donations, and instructional expenses were increased due to the implementation of GASB Statement No. 84. The following schedule outlines these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Revenues			
Charges for services	$ 3,994,963	$ 3,179,929	$ 815,034
Operating grants and contributions	6,288,180	6,275,878	12,302
Expenses			
Instruction	153,950,479	153,059,478	891,001

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2021 and 2020 are as follows:

Table A-4: Change in Net Position from Operating Results Governmental Activities Only

	2021	As Restated 2020	Increase/ (Decrease)	Total Percentage Change
Revenues				
Program Revenues				
Charges for services	$ 3,549,552	$ 3,994,963	$ (445,411)	(11.15%)
Operating grants and contributions	6,905,342	6,288,180	617,162	9.81%
General Revenues				
Real property taxes and other tax items	120,648,333	117,903,289	2,745,044	2.33%
State sources	35,963,858	36,705,428	(741,570)	(2.02%)
Use of money and property	1,380,980	1,733,625	(352,645)	(20.34%)
Other	5,361,757	5,016,043	345,714	6.89%
Total Revenues	173,809,822	171,641,528	2,168,294	1.26%
Expenses				
General support	19,030,994	19,969,612	(938,618)	(4.70%)
Instruction	154,623,603	153,950,479	673,124	0.44%
Pupil transportation	12,335,791	9,840,150	2,495,641	25.36%
Food service program	2,314,168	2,674,672	(360,504)	(13.48%)
Community services	35,701	15,267	20,434	133.84%
Debt service - interest	1,356,432	1,381,309	(24,877)	(1.80%)
Total Expenses	189,696,689	187,831,489	1,865,200	0.99%
Total Change in Net Position	$ (15,886,867)	$ (16,189,961)	$ 303,094	1.87%

The District's total fiscal year 2021 revenues were $173,809,822 (See Table A-4). Real property taxes and state sources accounted for most of the District's revenue by contributing 69.41% and 20.69%, respectively of total revenue (See Table A-5). The remainder came from fees charged for services, operating grants and contributions, use of money and property and other miscellaneous sources.

The District's revenues increased by $2,168,294 or 1.26%, which is primarily attributable to increases in operating grants and contributions, real property taxes and other tax items, and other miscellaneous items, offset by decreases in charges for services, state sources, and use of money and property.

The total cost of all programs and services totaled $189,696,689 for fiscal year 2021. These expenses are predominantly related to instruction and general support, instruction expenses account for 81.51% of District expenses (See Table A-6). The District's general support activities accounted for 10.03% of total costs.

The District's expenses for the year increased by $1,865,200 or 0.99%, which is primarily attributable to increases in instruction and pupil transportation expenses, offset by decreases in general support, and food service program expenses.

Table A- 5 – Revenues for Fiscal Year 2021 (See Table A-4)

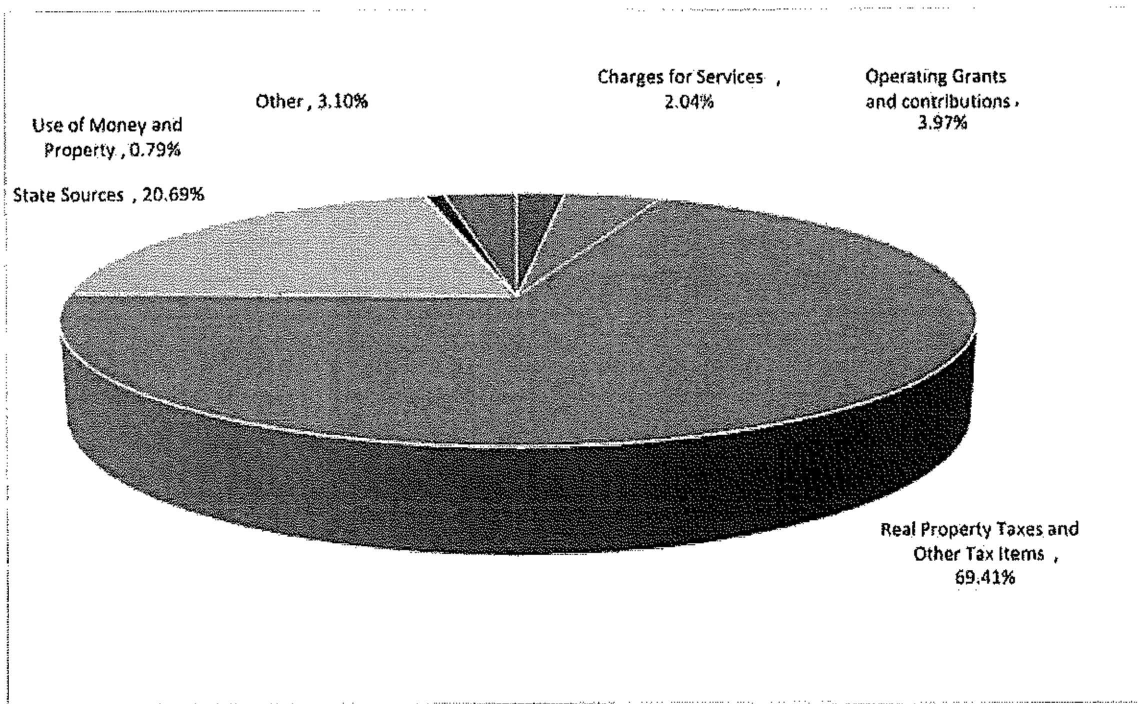
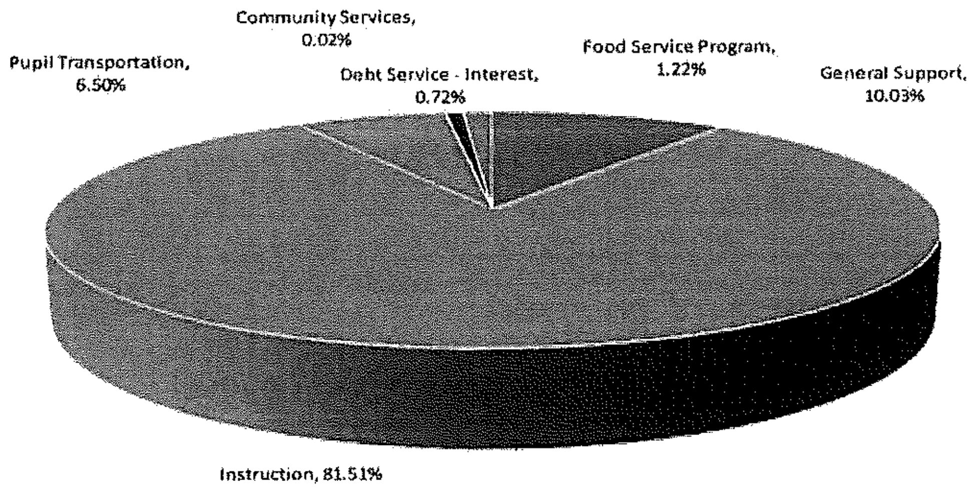


Table A-6 - Expenses for Fiscal Year 2021 (See Tables A-4 and A-7)



A) Governmental Activities

The overall good financial condition of the District, as a whole, can be credited to:

- Continued leadership of the District's Board and administration;
- Strong tax base;
- Strategic use of services from the Western Suffolk BOCES; and
- Improved curriculum and community support.

Table A-7 presents the cost of major District activities: general support, instruction, pupil transportation, food service program, community services and debt service. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Table A-7: Net Cost of Governmental Activities

Category	Total Cost of Services Fiscal Year 2021	Total Cost of Services As Restated 2020	Net Cost of Services Fiscal Year 2021	Net Cost of Services As Restated 2020
General support	$ 19,030,994	$ 19,969,612	$ 19,030,994	$ 19,969,612
Instruction	154,623,603	153,950,479	146,157,143	145,842,125
Pupil transportation	12,335,791	9,840,150	12,335,791	9,840,150
Food service program	2,314,168	2,674,672	325,734	499,883
Community services	35,701	15,267	35,701	15,267
Debt service - interest	1,356,432	1,381,309	1,356,432	1,381,309
Total	$ 189,696,689	$ 187,831,489	$ 179,241,795	$177,548,346

- The cost of all governmental activities this year was $189,696,689. (Statement of Activities and Changes in Net Position - Expenses column)

- The users of the District's programs financed $3,549,552 of the cost. (Statement of Activities and Changes in Net Position - Charges For Services column)

- The federal and state governments subsidized certain programs with operating grants and contributions of $6,905,342 (Statement of Activities and Changes in Net Position – Operating Grants column)

- Most of the District's net costs of $179,241,795 were financed by District taxpayers and state aid. (Statements of Activities and Changes in Net Position - Net (Expense) Revenue and Changes in Net Position column)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

At June 30, 2021, the District's combined governmental funds reported a combined fund balance of $26,064,356, which is a decrease of $7,186,163 from the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund for extraclassroom activities and scholarships and donations due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Note 18 "Restatement of Fund Balances" for further information.

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

	Fiscal Year 2021	As Restated 2020	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for employee benefit accrued liability	$ 8,894,707	$ 9,893,466	$ (998,759)	(10.10%)
Restricted for retirement contribution-ERS	2,035,395	4,184,870	(2,149,475)	(51.36%)
Restricted for retirement contribution-TRS	1,009,627	1,009,500	127	0.01%
Restricted for unemployment insurance	339,099	339,057	42	0.01%
Restricted for workers' compensation	1,505,195	1,952,687	(447,492)	(22.92%)
Restricted for insurance	689,281	689,194	87	0.01%
Assigned - appropriated for:				
Subsequent year's expenditures	4,500,000	5,100,000	(600,000)	(11.76%)
Assigned - unappropriated for:				
General support	804,541	1,148,249	(343,708)	(29.93%)
Instruction	651,211	2,714,921	(2,063,710)	(76.01%)
Pupil transportation	230,096	93,154	136,942	147.01%
Community services		11,137	(11,137)	(100.00%)
Employee benefits	31,411	72,481	(41,070)	(56.66%)
Debt service - principal		781	(781)	(100.00%)
Unassigned	5,089,635	4,511,177	578,458	12.82%
Total Fund Balance - General Fund	25,780,198	31,720,674	(5,940,476)	(18.73%)
School Lunch Fund				
Nonspendable - inventory	89,121	102,142	(13,021)	(12.75%)
Assigned	84,059	254,423	(170,364)	(66.96%)
Total Fund Balance - School Lunch Fund	173,180	356,565	(183,385)	(51.43%)
Miscellaneous Special Revenue Fund				
Assigned unappropriated fund balance	520,596	463,436	57,160	12.33%
Restricted for scholarships and donations	126,838	132,451	(5,613)	(4.24%)
Total Fund Balance - Miscellaneous Special Revenue Fund	647,434	595,887	51,547	8.65%
Capital Projects Fund				
Assigned		572,129	(572,129)	(100.00%)
Restricted		5,264	(5,264)	(100.00%)
Unassigned	(536,456)		(536,456)	N/A
Total Fund Balance - Capital Projects Fund	(536,456)	577,393	(1,113,849)	(192.91%)
Total Fund Balance - All Funds	$ 26,064,356	$ 33,250,519	$ (7,186,163)	(21.61%)

The District can attribute changes to fund balances and reserves primarily due to Board approved transfers in, transfers out to pay expenses, and allocation of interest and earnings.

A) General Fund

The fund balance in the general fund decreased by $5,940,476 during the year as compared to an increase of $164,633 in the prior year. Actual operating revenues increased by $3,096,788 mainly due to an increase in real property tax and other tax items revenue of $2,745,044. Actual operating expenditures and other financing uses increased $9,201,878, mainly due to increases in general support, instruction, pupil transportation, employee benefits and transfers to other funds. The general fund transferred $315,000 to the special aid fund, $75,000 to the school lunch fund and $1,790,000 to the capital projects fund.

B) School Lunch Fund

Fund balance in the school lunch fund decreased by $183,385 during the year as compared to an increase of $101,157 in the prior year. This decrease was primarily due to operating expenditures in excess of revenues and operating transfers.

C) Miscellaneous Special Revenue Fund

The net change fund balance in the miscellaneous special revenue fund is due to extraclassroom, other activities and scholarship revenue exceeding expenditures.

D) Capital Projects Fund

Fund balance in the capital projects fund decreased by $1,113,849 during the year as compared to a decrease of $498,508 in the prior year. This decrease is primarily due to expenditures in excess of other financing sources. The capital projects fund received an operating transfer from the general fund of $1,790,000 to fund various district-wide improvements.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2020-2021 Adopted Budget:

The District's general fund original budget for the fiscal year ended June 30, 2021 was $174,657,264. This amount was increased by encumbrances carried forward from the prior year in the amount of $4,040,723, which resulted in a final budget of $178,697,987. The majority of the funding was property taxes, STAR revenue and state aid of $156,195,264.

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

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

Opening, unassigned fund balance	$ 4,511,177
Revenues over budget	1,180,645
Expenditures and encumbrances under budget	4,052,343
Allocation of interest to reserves	(2,267)
Unused appropriated reserves	(152,263)
Assigned, appropriated for June 30, 2022	(4,500,000)
Closing, unassigned fund balance	$ 5,089,635

Opening, Unassigned Fund Balance

The $4,511,177 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned and not restricted or assigned for subsequent year's taxes.

Revenues Over Budget

The revenues over budget of $1,180,645 were primarily attributable to charges for services, miscellaneous sources, other state aid and federal sources offset by use of money and property, interfund revenues and basic formula state source. (See Supplemental Schedule 1 for details).

Expenditures and Encumbrances Under Budget

The expenditures and encumbrances under budget of $4,052,343 were primarily in employee benefits, programs for children with disabilities, pupil transportation, pupil services, instruction, administration and improvement, general support, instructional media and debt service. (See Supplemental Schedule 1 for details).

Allocation of Interest to Reserves

Revenues such as interest earned in a general fund reserve increase the reserve and, therefore, decrease the unassigned portion of the fund balance in the general fund.

The reserves earned interest as follows:

Employee benefit accrued liability	$ 1,241
Retirement contribution-ERS	525
Retirement contribution-TRS	127
Unemployment	42
Workers' compensation	245
Insurance	87
Total interest allocation	$ 2,267

Unused appropriated reserves

The total approved appropriated reserves in the 2020-2021 budget amounted to $3,750,000. The employee benefit accrued liability was approved for $1,000,000 and the retirement contribution-ERS was approved for $2,150,000, both were fully utilized for the 2020-2021 fiscal year. The workers' compensation reserve was approved for $600,000. Due to lower than anticipated expenditure, $152,263 of this funding was not needed, and therefore returned to the reserves for future use.

Appropriated Fund Balance

The District has chosen to use $4,500,000 of its available June 30, 2021 fund balance to partially fund its 2021-2022 approved operating budget.

Closing, Unassigned Fund Balance

The closing unassigned fund balance represents the fund balance retained by the District that is not restricted or assigned for subsequent year's taxes.

6. CAPITAL ASSETS AND DEBT ADMINISTRATION

A) Capital Assets

The District paid for equipment and various building additions and renovations during the fiscal year 2021. A summary of the District's capital assets net of depreciation are as follows:

Table A-8: Capital Assets (Net of Depreciation)

Category	Fiscal Year 2021	Fiscal Year 2020	Increase/ (Decrease)	Percentage Change
Land & Land Improvements	$ 2,887,336	$ 2,887,336	$ -	0.00%
Construction in process	2,135,304	827,959	1,307,345	157.90%
Buildings & Building Improvements	108,395,267	107,453,331	941,936	0.88%
Furniture & Equipment	8,791,939	7,813,566	978,373	12.52%
Vehicles	6,831,851	6,662,195	169,656	2.55%
Subtotal	129,041,697	125,644,387	3,397,310	2.70%
Less: Accumulated Depreciation	74,275,666	72,088,643	2,187,023	3.03%
Total Net Capital Assets	$ 54,766,031	$ 53,555,744	$ 1,210,287	2.26%

The District spent $2,903,849 in the capital projects fund and $734,853 in the general fund on construction in progress and furniture and equipment purchases during the year. Depreciation expense and loss on disposal was $2,428,415. See Note 9 "Capital Assets" to the financial statements for additional information.

B) Debt Administration

At June 30, 2021, the District had total bonds payable of $22,139,140 inclusive of unamortized premium, energy performance contract debt of $5,476,459 and installment purchase debt payable of $35,679. Principal payments were made in the amount of $3,250,000 for serial bonds, $797,481 for energy performance contract and $18,157 for installment purchase debt. More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements.

	2021	2020	Increase/ (Decrease)
Serial bonds (inclusive of unamortized premiums)*	$ 22,139,140	$ 25,707,316	$ (3,568,176)
Energy performance contract debt	5,476,459	6,273,940	(797,481)
Installment purchase debt payable	35,679	53,836	(18,157)
Total	$ 27,651,278	$ 32,035,092	$ (4,383,814)

*Deferred premiums on refunding, net of amortization, have been reclassed to meet reporting requirements for bond refunding.

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A) The general fund budget for the 2021-2022 school year in the amount of $184,937,763 was approved by 65.25% of those who voted. This is an increase of $10,280,499 or 5.89% over the previous year's budget. The increase was primarily due to increases in personnel costs and employee benefits. The tax cap discussed below, as well as uncertainty in state aid and federal funds, as well as potential operating adjustments that may be needed due to COVID-19 may impact the District's future budgets.

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

C) The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Recue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

South Huntington Union Free School District
Dr. Joseph T. Centamore
Deputy Superintendent
60 Weston Street
Huntington Station, New York 11746
(631) 812-3001

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS		
Current assets		
Cash		
Unrestricted	$	16,076,005
Restricted		14,600,142
Receivables		
Accounts receivable		175,625
State and federal aid		5,888,362
Due from other governments		2,984,259
Inventories		89,121
Non-current assets		
Capital assets		
Capital assets, not being depreciated		2,727,557
Capital assets being depreciated, net of accumulated depreciation		52,038,474
TOTAL ASSETS		94,579,545
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on advance refunding of bonds		580,629
Pensions		49,128,652
Total other post-employment benefits obligation		42,096,252
TOTAL DEFERRED OUTFLOWS OF RESOURCES		91,805,533
LIABILITIES		
Payables		
Accounts payable		1,568,871
Accrued liabilities		659,559
Due to other governments		507,240
Due to teachers' retirement system		7,285,156
Due to employees' retirement system		727,186
Compensated absences payable		991,226
Accrued interest payable		306,905
Unearned credits		
Collections in advance		83,455
Long-term liabilities		
Due and payable within one year		
Bonds payable (inclusive of unamortized premiums)		3,647,641
Energy performance contract debt payable		828,344
Installment purchase debt payable		18,025
Claims payable		297,165
Compensated absences payable		427,514
Due and payable after one year		
Bonds payable (inclusive of unamortized premiums)		18,491,499
Energy performance contract debt payable		4,648,115
Installment purchase debt payable		17,654
Claims payable		1,399,647
Compensated absences payable		11,216,149
Net pension liability - proportionate share - employees' retirement system		39,900
Net pension liability - proportionate share - teachers' retirement system		11,537,903
Total other post-employment benefits obligation		227,919,162
TOTAL LIABILITIES		292,618,316
DEFERRED INFLOWS OF RESOURCES		
Pensions		19,434,872
Total other post-employment benefits obligation		23,859,980
TOTAL DEFERRED INFLOWS OF RESOURCES		43,294,852
NET POSITION		
Net investment in capital assets		28,315,382
Restricted:		
Employee benefit accrued liability		8,894,707
Retirement contribution-ERS		2,035,395
Retirement contribution-TRS		1,009,627
Unemployment insurance		339,099
Workers' compensation		1,505,195
Insurance		689,281
Scholarships		126,838
		14,600,142
Unrestricted (deficit)		(192,443,614)
TOTAL NET POSITION (DEFICIT)	$	(149,528,090)

See Accompanying Notes to Financial Statements

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
FUNCTIONS / PROGRAMS				
General support	$ (19,030,994)	$ -	$ -	$ (19,030,994)
Instruction	(154,623,603)	3,399,995	5,066,465	(146,157,143)
Pupil transportation	(12,335,791)			(12,335,791)
Food service program	(2,314,168)	149,557	1,838,877	(325,734)
Community services	(35,701)			(35,701)
Debt service-interest	(1,356,432)			(1,356,432)
TOTAL FUNCTIONS AND PROGRAMS	$(189,696,689)	$ 3,549,552	$ 6,905,342	(179,241,795)
GENERAL REVENUES				
Real property taxes				111,113,416
Other tax items - including STAR reimbursement				9,534,917
Use of money and property				1,380,980
Sale of property and compensation for loss				24,736
Miscellaneous				4,784,784
State sources				35,963,858
Medicaid reimbursement				552,237
TOTAL GENERAL REVENUES				163,354,928
CHANGE IN NET POSITION				(15,886,867)
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATE (SEE NOTE 18)				(133,641,223)
TOTAL NET POSITION (DEFICIT) - END OF YEAR				$ (149,528,090)

See Accompanying Notes to Financial Statements

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 15,208,170	$ 178,323	$ 113,915	$ 520,596	$ 55,001	$ 16,076,005
Restricted	14,473,304			126,838		14,600,142
Receivables						
Accounts receivable	58,167	108,854	8,604			175,625
State and federal aid	1,426,691	3,281,685	466,898		713,088	5,888,362
Due from other governments	2,364,259					2,364,259
Due from other funds	4,070,723					4,070,723
Inventories			89,121			89,121
TOTAL ASSETS	$ 37,601,314	$ 3,568,862	$ 678,538	$ 647,434	$ 768,089	$ 43,264,237
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Payables						
Accounts payable	$ 1,090,589	$ 226,887	$ 1,312	$ -	$ 250,083	$ 1,568,871
Accrued liabilities	621,144	38,302	113			659,559
Due to other governments	507,174		66			507,240
Due to other funds		3,263,821	460,264		346,638	4,070,723
Due to teachers' retirement system	7,285,156					7,285,156
Due to employees' retirement system	727,186					727,186
Compensated absences	991,226					991,226
Unearned credits						
Collections in advance		39,852	43,603			83,455
TOTAL LIABILITIES	11,222,475	3,568,862	505,358		596,721	15,893,416
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	598,641				707,824	1,306,465
TOTAL DEFERRED INFLOWS OF RESOURCES	598,641				707,824	1,306,465
FUND BALANCES						
Non-spendable: Inventory			89,121			89,121
Restricted:						
Employee benefit accrued liability	8,894,707					8,894,707
Retirement contributions-ERS	2,035,395					2,035,395
Retirement contributions-TRS	1,009,627					1,009,627
Unemployment insurance	339,099					339,099
Workers' compensation	1,505,195					1,505,195
Insurance	689,281					689,281
Scholarships				126,838		126,838
Assigned:						
Appropriated fund balance	4,500,000					4,500,000
Unappropriated fund balance	1,717,259		84,059	520,596		2,321,914
Unassigned:						
Unassigned fund balance	5,089,635				(536,456)	4,553,179
TOTAL FUND BALANCES (DEFICIT)	25,780,198		173,180	647,434	(536,456)	26,064,356
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 37,601,314	$ 3,568,862	$ 678,538	$ 647,434	$ 768,089	$ 43,264,237

See Accompanying Notes to Financial Statements

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2021

Total Governmental Fund Balances		$ 26,064,356
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of the building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 129,041,697	
Accumulated depreciation	(74,275,666)	54,766,031
Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds. Statement of Activities		
Total deferred charges on advance refunding of bonds	1,136,744	
Accumulated amortization	(556,115)	580,629
Deferred inflows of resources for general and excess cost - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenues under the modified accrual method.		1,306,465
Deferred inflows of resources - The Statement of Net Position recognized revenues received and expenditures incurred under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. Deferred inflows that will be recognized in future periods amounted to:		
Pensions	$ (19,434,872)	
Total other post-employment benefits obligation	(23,859,980)	(43,294,852)
Payables that are associated with long-term liabilities are not payable in the current period and, therefore, are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of:		
Accrued interest on bonds and energy performance contract debt payble		(306,905)
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows that will be recognized as expenditures in future periods amounted to:		
Pensions	$ 49,128,652	
Total other post-employment benefits obligation	42,096,252	91,224,904
Due from other governments for bonds payable being paid by the Library is not included on the governmental funds balance sheet.		620,000
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
Bonds payable (inclusive of unamortized premiums)	$ (22,139,140)	
Energy performance contract debt payable	(5,476,459)	
Installment purchase debt payable	(35,679)	
Claims payable	(1,696,812)	
Compensated absences payable	(11,643,663)	
Net pension liability - proportionate share - employees' retirement system	(39,900)	
Net pension liability - proportionate share - teachers' retirement system	(11,537,903)	
Total other post-employment benefits obligation	(227,919,162)	(280,488,718)
Total Net Position		$ (149,528,090)

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	$ 111,113,416	$ -	$ -	$ -	$ -	$ 111,113,416
Other tax items - including STAR reimbursement	9,534,917					9,534,917
Charges for services	2,920,719			479,276		3,399,995
Use of money and property	1,380,980					1,380,980
Sale of property and compensation for loss	24,736					24,736
Miscellaneous	1,688,924		24,588	11,891		1,725,403
Interfund revenue	3,401,171					3,401,171
Local sources		290,101				290,101
State sources	35,641,000	1,373,144	60,674			37,074,818
Federal sources	1,282,046	2,951,621	1,647,867			5,881,534
Surplus food			130,336			130,336
Sales			149,557			149,557
TOTAL REVENUES	166,987,909	4,614,866	2,013,022	491,167		174,106,964
EXPENDITURES						
General support	15,094,550					15,094,550
Instruction	100,989,177	4,738,154		439,620		106,166,951
Pupil transportation	10,606,070	141,037				10,747,107
Community services	35,042					35,042
Employee benefits	38,287,396	50,675	86,789			38,424,860
Debt service - principal	4,102,391					4,102,391
Debt service - interest	1,633,759					1,633,759
Cost of sales			2,184,618			2,184,618
Capital outlay					2,903,849	2,903,849
TOTAL EXPENDITURES	170,748,385	4,929,866	2,271,407	439,620	2,903,849	181,293,127
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(3,760,476)	(315,000)	(258,385)	51,547	(2,903,849)	(7,186,163)
OTHER FINANCING SOURCES AND (USES)						
Operating transfers in		315,000	75,000		1,790,000	2,180,000
Operating transfers (out)	(2,180,000)					(2,180,000)
TOTAL OTHER FINANCING SOURCES AND (USES)	(2,180,000)	315,000	75,000		1,790,000	
NET CHANGE IN FUND BALANCES	(5,940,476)		(183,385)	51,547	(1,113,849)	(7,186,163)
FUND BALANCES - BEGINNING OF YEAR (AS RESTATED)	31,720,674		356,565	595,887	577,393	33,250,519
FUND BALANCES (DEFICIT) - END OF YEAR	$ 25,780,198	$ -	$ 173,180	$ 647,434	$ (536,456)	$ 26,064,356

See Accompanying Notes to Financial Statements

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net Change in Fund Balance		$ (7,186,163)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
Deferred inflows of resources - The Statement of Net Position recognized revenue received under the full accrual method. Governmental funds recognize revenue under modified accrual method.		322,858
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2021 changed by:		172,053
Claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Claims payable from June 30, 2020 to June 30, 2021 changed by:		240,155
Deferred outflows and inflows related to post-employment benefits obligation in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Deferred outflows and inflows related to post-employment benefits obligation changed by:		1,293,793
Total other post-employment benefits obligation in the Statement of Activities differs from the amount reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Total other post-employment benefits obligations from June 30, 2020 to June 30, 2021 changed by:		(7,996,160)
Capital Related Differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital outlays	$ 3,638,702	
Loss on disposal	(8,450)	
Depreciation expense	(2,419,965)	1,210,287
Long-Term Debt Differences		
The amortization of the bonds premiums, net of the amortization of the deferred charges on the advance refunding of bonds and bond issuances, decreases interest expense in the Statement of Activities.		229,799
Repayment of a bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		3,250,000
Repayment of an energy performance contract debt payable is an expenditure in the governmental funds, but it decreases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		797,481
Repayment of an installment purchase debt payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		18,157
Interest on long-term debt in the Statement of Activities differs from from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2020 to June 30, 2021 changed by:		47,528
Due from other governments for bonds payable being paid by the Library is not included on the governmental funds balance sheet.		(620,000)
Pension Differences		
Increases/decreases in proportionate share of net pension asset/liability and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Employees' retirement system	$ 734,187	
Teachers' retirement system	(8,400,842)	(7,666,655)
Change in Net Position		$ (15,886,867)

See Accompanying Notes to Financial Statements

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Custodial
ASSETS	
Cash and cash equivalents - restricted	$ -
TOTAL ASSETS	$ -
LIABILITIES	
Other liabilities	$ -
TOTAL LIABILITIES	$ -
NET POSITION	
Unrestricted	$ -
Restricted	
TOTAL NET POSITION	$ -
TOTAL LIABILITIES AND NET POSITION	$ -

See Accompanying Notes to Financial Statements

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Custodial
ADDITIONS	
Library real property taxes collected	$ 6,070,752
TOTAL ADDITIONS	6,070,752
DEDUCTIONS	
Library real property taxes disbursed	6,070,752
TOTAL DEDUCTIONS	6,070,752
CHANGE IN NET POSITION	
NET POSITION - BEGINNING OF YEAR	
NET POSITION - ENDING OF YEAR	$ -

See Accompanying Notes to Financial Statements

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

Significant accounting principles and policies utilized by the District are described as follows:

A) Reporting entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

B) Joint venture:

The District is a component district in the Western Suffolk Board of Cooperative Educational Services ("BOCES"). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES is organized under Section §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section-§1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section §119-n(a) of the New York State General Municipal Law (GML).

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative, program, and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) **Basis of presentation:**

District-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities and present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and donations for scholarships, while the capital grants column reflects capital specific grants, if applicable.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal, state and local grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

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

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

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund, which is used to account for real property taxes collected on behalf of other governments and disbursed to other governments. This fund is custodial in nature. Assets are held by the District as a custodian.

D) **Measurement focus and basis of accounting:**

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-Wide and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

E) Real property taxes:

i) Calendar

Real property taxes are levied annually by the Board of Education no later than October 1, and become a lien on December 1. Taxes are collected by the Town of Huntington and remitted to the District from December to June.

ii) Enforcement

Uncollected real property taxes are subsequently enforced by Suffolk County (the "County") in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following July 1.

F) Restricted resources:

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

G) Interfund transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with inter-fund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These inter-fund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the District-Wide Financial Statements, eliminations have been made for all inter-fund receivables and payables between the funds.

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

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosure of contingent assets, and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other post-employment benefits, workers' compensation claims, net pension asset/liability, and useful lives of capital assets.

I) **Cash and cash equivalents:**

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

J) **Receivables:**

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

K) **Inventories and prepaid items:**

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and Fund Financial Statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District has no prepaid items as of June 30, 2021.

L) **Capital assets:**

Capital assets are reported at actual cost for acquisitions within the last 20 years. For assets acquired prior to 20 years ago, estimated historical costs, based on appraisals conducted by independent third-party professionals are used. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building & Building Improvements	$1,500	Straight-line	50 years
Furniture & Equipment	$1,500	Straight-line	5-20 years
Land Improvements	$1,500	Straight-line	15-20 years
Vehicles	$1,500	Straight-line	8 years

M) **Collections in advance:**

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded.

Collections in advance consists of amounts received in advance for grants in the special aid fund and for meals that have not yet been purchased in the school lunch fund.

N) **Deferred outflows and inflows of resources:**

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. First is the unamortized discount of deferred charges from the refunding of bonds that is being amortized as a component of interest expense on a straight-line basis over the life of the debt, detailed further in Note 12. The other two amounts are related to total other post-employment benefits liability and pensions reported in the District-Wide Statement of Net Position, and are further detailed in Notes 13 and 15.

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first is related to pensions and consists of the District's proportionate share of changes in the collective net pension asset or liability not included in the collective pension expense. The second item is related to total other post-employment benefits liability reported in the District-Wide Statement of Net Position. This represents the effect of the net difference between expected and actual experience. These are detailed further in Notes 13 and 15.

The deferred inflows on the governmental funds balance sheet is unavailable revenues, which is reported when potential revenues do not meet the availability criterion for recognition in the current period. This includes receivables of certain state aid. In subsequent periods, when the availability criterion is met, the liability for deferred revenues is removed and revenues are recorded.

O) Vested employee benefits:

Compensated absences:

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

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

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

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30.

P) Other benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75.

Q) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District issued and redeemed a $32,000,000 TAN in the fiscal year ended June 30, 2021. See Note 11 for further details.

R) Accrued liabilities and long-term obligations:

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

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

S) Equity classifications:

District-Wide Financial Statements

In the District-Wide financial statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets (net of unspent proceeds), including the deferred inflows of resources, and the gain on defeasance on the bond refunding.

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

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Financial Statements

There are five classifications of fund balance as detailed below; however, the District only has four classifications of fund balance presented in the fund financial statements as follows:

Non-spendable fund balance - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school food lunch fund of $89,121.

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

The District has classified the following as restricted:

Employee benefit accrued liability reserve

Employee benefit accrued liability reserve (GML §6-p), must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund as restricted fund balance.

Retirement contribution reserve

Retirement contribution reserve (GML§6-r) is used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. Effective April 1, 2019, a board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

Unemployment insurance reserve

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

Workers' compensation reserve

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

Insurance reserve

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

Scholarships

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

Unrestricted Resources:

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Committed fund balance – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Districts highest level of decision making authority, (i.e., the Board of Education). The District has no committed fund balances as of June 30, 2021.

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

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

The capital projects fund had a deficit fund balance of $536,456. This will be funded when the District obtains permanent financing from Smart Schools Bonds for its current construction project.

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

Fund Balance Classification

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

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

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

T) Changes in accounting standards:

The District has adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. See Note 18 for further consideration.

U) Future accounting pronouncements:

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

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the fiscal year ending June 30, 2022. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

These are the statements that the District feels may have an impact on these financial statements and are not an all-inclusive list of GASB statements issued.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

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

Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences, workers' compensation, pension costs and other post-employment benefits.

Capital related differences:

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

Long-term debt differences:

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

Pension differences:

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and difference between the District's contributions and its proportionate share of the total contributions to the pension system.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

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

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

There were no supplemental appropriations that occurred during the year ending June 30, 2021.

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B) Encumbrances:

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities, and none were exposed to custodial credit risk as described above at year end.

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

B) Restricted Cash and Cash Equivalents:

Restricted cash and equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2021 included $14,600,142 within the governmental funds for general reserves and amounts restricted for scholarships.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2021, the District was billed $12,035,789 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,645,038. Financial statements for the Western Suffolk BOCES are available from the Western Suffolk BOCES administrative office at 507 Deer Park Road, Dix Hills, New York 11746.

NOTE 6 – FEDERAL AND STATE AID RECEIVABLES:

Federal and state aid receivables at June 30, 2021 consisted of the following:

General fund	
Excess cost aid	$ 1,217,115
General aid	209,576
Total General fund	1,426,691
Special aid fund	
Federal aid	1,837,727
State aid	1,443,958
Total Special aid fund	3,281,685
School lunch fund	
State and federal food service program reimbursement	466,898
Total School lunch fund	466,898
Capital projects fund	
State aid - Smart Schools Bonds	713,088
Total Capital projects fund	713,088
Total - All funds	$ 5,888,362

The general fund and capital projects fund state aid receivables include $598,641 and $707,824, respectively, of unavailable revenues, which are included in deferred inflows of resources on the balance sheet.

District management has deemed the amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

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

General fund	
Tuition and health service bilings	$ 1,107,202
BOCES aid	1,257,057
Total General fund	2,364,259
Governmental activities	
Library bonds	620,000
Total	$ 2,984,259

District management has deemed the amounts to be fully collectible.

NOTE 8 – DUE TO OTHER GOVERNMENTS:

Due to other governments at June 30, 2021 consisted of the following:

General fund		
General aid overpayment	$	300,733
Tuition and health services		206,441
Total General fund		507,174
School lunch fund		
Sales tax payable		66
Total School lunch fund		66
Total -All funds	$	507,240

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - CAPITAL ASSETS:

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 592,253			$ 592,253
Construction in progress	827,959	$ 2,135,304	$ (827,959)	2,135,304
Total capital assets not depreciated	1,420,212	2,135,304	(827,959)	2,727,557
Capital assets that are depreciated:				
Building & building improvements	107,453,331	113,977	827,959	108,395,267
Furniture and equipment	7,813,566	1,219,765	(241,392)	8,791,939
Vehicles	6,662,195	169,656		6,831,851
Land improvements	2,295,083			2,295,083
Total depreciable historical cost	124,224,175	1,503,398	586,567	126,314,140
Less accumulated depreciation:				
Building & building improvements	58,476,008	1,690,845		60,166,853
Furniture and equipment	5,834,239	501,730	(232,942)	6,103,027
Computers & Equipment				
Vehicles	5,797,771	172,494		5,970,265
Land improvements	1,980,625	54,896		2,035,521
Total accumulated depreciation	72,088,643	2,419,965	(232,942)	74,275,666
Total capital assets being depreciated, net	52,135,532	(916,567)	819,509	52,038,474
Total capital assets, net	$ 53,555,744	$ 1,218,737	$ (8,450)	$ 54,766,031

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

General support	$ 284,162
Instruction	1,901,169
Transportation	199,664
Community services	660
Food service program	42,760
	$ 2,428,415

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$ 4,070,723			$ 2,180,000
Special aid fund		$ 3,263,821	$ 315,000	
School lunch fund		460,264	75,000	
Capital projects fund		346,638	1,790,000	
Total	$ 4,070,723	$ 4,070,723	$ 2,180,000	$ 2,180,000

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

The District made a $75,000 transfer from the general fund to the school lunch fund to cover operating costs for the year ended June 30, 2021.

The District made a $1,790,000 transfer from the general fund to the capital projects fund in accordance with the voter approved 2020-2021 school budget to fund various school improvement projects.

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

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

NOTE 11 - SHORT-TERM DEBT:

On October 8, 2020, the District issued tax anticipation notes in the amount of $32,000,000. This debt was issued for interim financing of general fund operations. Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	6/25/2021	2.00%	$ -	$ 32,000,000	$ 32,000,000	$ -
	Total		$ -	$ 32,000,000	$ 32,000,000	$ -

Interest on short-term debt was $456,889.

NOTE 12 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Government activities					
Bonds payable:					
General obligation debt:					
Construction serial bonds	$ 3,325,000	$ -	$ 475,000	$ 2,850,000	$ 475,000
Advance refunding bonds	15,830,000		1,935,000	13,895,000	1,985,000
Library serial/refunding bond	1,240,000		620,000	620,000	620,000
Current refunding bonds	2,570,000		220,000	2,350,000	225,000
Total bonds payable	22,965,000		3,250,000	19,715,000	3,305,000
Add: deferred premiums on refunding*	2,742,316		318,176	2,424,140	342,641
Total	25,707,316		3,568,176	22,139,140	3,647,641
Other liabilities:					
Energy performance contract debt payable	6,273,940		797,481	5,476,459	828,344
Installment purchase debt payable	53,836		18,157	35,679	18,025
Claims payable	1,936,967	207,583	447,738	1,696,812	297,165
Compensated absences payable	11,815,716	819,173	991,226	11,643,663	427,514
Net pension liability-proportionate share-ERS	10,645,641		10,605,741	39,900	-
Net pension liability-proportionate share-NYSTRS		22,204,770	10,666,867	11,537,903	-
Total other post-employment benefits obligation	219,923,002	13,167,431	5,171,271	227,919,162	-
Total liabilities	250,649,102	36,398,957	28,698,481	258,349,578	1,571,048
Total long-term liabilities	$276,356,418	$ 36,398,957	$ 32,266,657	$280,488,718	$ 5,218,689

*Deferred premiums on refunding, net of amortization, have been reclassed to meet reporting requirements for bond refunding.

The general fund has typically been used to liquidate long-term liabilities such as energy performance contract debt payable, installment purchase debt payable, claims payable, compensated absences, net pension liabilities and total other post-employment benefits obligation.

A) Bonds Payable

Existing serial and statutory bond obligations are comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Advance Refunding Serial Bond	3/2/2012	9/1/2021	2.0% - 5.0%	$ 620,000
Construction Serial Bond	9/19/2012	6/15/2027	2.00% - 2.375%	2,250,000
Construction Serial Bond	2/15/2013	6/15/2027	2.00% - 2.60%	600,000
Advance Refunding Serial Bond	3/20/2013	9/1/2025	2.00% - 4.50%	2,665,000
Advance Refunding Serial Bond	8/20/2016	12/15/2028	2.00% - 5.00%	7,245,000
Advance Refunding Serial Bond	6/21/2017	6/15/2029	5.00%	3,985,000
Current Refunding Serial Bond	12/20/2019	3/15/2030	4.00% - 5.00%	2,350,000
				$ 19,715,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$ 3,305,000	$ 798,144	$ 4,103,144
2023	2,765,000	669,094	3,434,094
2024	2,875,000	548,144	3,423,144
2025	2,560,000	428,688	2,988,688
2026	2,620,000	314,124	2,934,124
2026-2030	5,590,000	383,631	5,973,631
	$ 19,715,000	$ 3,141,825	$ 22,856,825

In prior years, the District defeased certain construction serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

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

B) Energy Performance Contract Debt Payable

Energy performance contract debt is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy performance contract debt payable	2/29/2012	7/15/2026	3.87%	$ 5,476,459

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$ 828,344	$ 211,939	$ 1,040,283
2023	860,400	179,882	1,040,282
2024	893,698	146,585	1,040,283
2025	928,284	111,998	1,040,282
2026	964,209	76,074	1,040,283
2027	1,001,524	38,759	1,040,283
	$ 5,476,459	$ 765,237	$ 6,241,696

C) Installment Purchase Debt Payable

Installment purchase debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Outstanding at June 30, 2021
Copiers: Konica	2/1/2018	1/31/2022	$ 882
Copiers: Pitney Bowes	12/7/2017	12/7/2022	14,310
Copiers: Pitney Bowes	8/1/2016	7/31/2021	638
Copiers: Xerox	9/30/2016	8/31/2021	272
Copiers: Leaf Funding	6/17/2020	6/16/2023	1,802
Copiers: Leaf Funding	6/17/2020	6/16/2023	1,802
Copiers: Leaf Funding	6/17/2020	6/16/2023	1,802
Copiers: Leaf Funding	6/17/2020	6/16/2023	1,802
Copiers: Konica	9/24/2020	9/23/2024	3,878
Copiers: Konica	1/1/2021	1/3/2025	8,491
			$ 35,679

The following is a summary of debt service requirements for the installment purchase debt:

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$ 18,025	$ -	$ 18,025
2023	12,059		12,059
2024	3,648		3,648
2025	1,947		1,947
	$ 35,679	$ -	$ 35,679

D) Bond Refundings

In the District-Wide Financial Statements, the District is amortizing deferred charges on refunding and refunding bond premiums as a component of interest expense on a straight-line basis over the life of the bonds as follows:

Fiscal Year Ended June 30,	Deferred Premium	Deferred Charge	Interest Expense Increase/ (Decrease)
2022	$ (342,641)	$ 88,377	$ (254,264)
2023	(342,641)	88,377	(254,264)
2024	(342,641)	88,377	(254,264)
2025	(342,641)	88,377	(254,264)
2026	(277,798)	66,462	(211,336)
2027-2030	(775,778)	160,659	(615,119)
	$ (2,424,140)	$ 580,629	$ (1,843,511)

E) Long-Term Interest

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

	Total
Interest paid	$ 1,176,870
Less interest accrued in the prior year	(354,433)
Plus interest accrued in the current year	306,905
Plus amortization of deferred bond charges	88,377
Less amortization of deferred bond premiums	(318,176)
Total expense	$ 899,543

NOTE 13 – PENSION PLANS:

A) Plan Descriptions and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State (RSSL) of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2021 for covered payroll was 21.4% for Tier 1, 16.1% for Tiers 3 &4, 13.4% for Tier 5, and 9.6% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2021 was 9.53% of covered payroll.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

Year	ERS	TRS
2021	$ 2,364,439	$ 6,758,692
2020	$ 2,305,705	$ 6,279,153
2019	$ 2,511,388	$ 7,293,140

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

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

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
District's proportionate share of the net pension asset/(liability)	$ (39,900)	$ (11,537,903)
District's portion of the Plan's total net pension asset/(liability)	0.0400712%	0.4175450%
Change in proportion since the prior measurement date	-0.0001305%	0.0061190%

For the fiscal year ended June 30, 2021, the District recognized pension expense of $1,630,238 and $15,163,130 for ERS and TRS, respectively. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 487,293	$ 10,109,512		$ 591,295
Changes of assumptions	7,336,413	14,592,761	$ 138,367	5,201,557
Net difference between projected and actual earnings on pension plan investments		7,535,262	11,461,770	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,556,901	24,633	239,914	1,801,969
District's contributions subsequent to the measurement date	727,186	6,758,691		
Total	$ 10,107,793	$ 39,020,859	$ 11,840,051	$ 7,594,821

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

Plan Year Ended	ERS	TRS
2021		$ 4,123,700
2022	$ (152,539)	8,702,226
2023	117,737	7,095,676
2024	(353,907)	4,264,363
2025	(2,070,735)	13,875
Thereafter		467,507
Total	$ (2,459,444)	$ 24,667,347

Actuarial Assumptions

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

The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%
Cost of living adjustments	1.40%	1.30%

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

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections 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 investment expense and inflation) for each major asset class, as well as, historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS		TRS	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Measurement date	March 31, 2021		June 30, 2020	
Asset Type:				
Domestic equity	32.0%	4.05%	33.0%	7.10%
International equity	15.0%	6.30%	16.0%	7.70%
Private equity	10.0%	6.75%	8.0%	10.40%
Real estate equity	9.0%	4.95%	11.0%	6.80%
Opportunistic portfolio	3.0%	4.50%		
Real assets	3.0%	5.95%		
Cash and cash equivalents	1.0%	0.50%	1.0%	0.70%
Credit	4.0%	3.63%		
Domestic fixed income securities	23.0%		16.0%	1.80%
High-yield bonds			1.0%	3.90%
Global bonds			2.0%	1.00%
Real estate debt			7.0%	3.60%
Global equities			4.0%	7.40%
Private debt			1.0%	5.20%
	100.0%		100.0%	

The expected real rate of return is net of the long-term inflation assumptions of 2.0% for ERS, and 2.2% for TRS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 6.1% for TRS) or 1-percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset/(liability)	$ (11,074,832)	$ (39,900)	$ 10,136,889

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
District's proportionate share of the net pension asset/(liability)	$ (72,880,955)	$ (11,537,903)	$ 39,944,464

Pension Plan Fiduciary Net Position

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

	ERS	TRS
	(Dollars in Thousands)	
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension/(liability)	$ (220,680,157)	$ (123,242,776)
Plan fiduciary net position	220,580,583	120,479,505
Employers' net pension asset/(liability)	$ (99,574)	$ (2,763,271)
Ratio of plan fiduciary net position to the Employers' total pension asset/(liability)	99.95%	97.8%

Payables To The Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate by tier. Accrued retirement contributions as of June 30, 2021 amounted to $727,186.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid deduction and remittance to TRS. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $7,285,156.

NOTE 14 – RETIREMENT PLANS:

A) Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the employees for the year ended June 30, 2021 totaled $4,245,662. The District did not make any contributions to the plan for the year ended June 30, 2021.

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

A) Plan Description and Benefits

Plan Description

The District's OPEB Plan (the "Plan") primarily provides post-employment health insurance coverage to retired employees, their spouses and their covered dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP) which is a single-employer defined benefit healthcare plan administered by New York State. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. The Plan does not issue a stand alone, publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The District assumes a portion of the premium costs (0% - 60%) and recognizes the cost of the healthcare plan annually as an expenditure in the general fund of the fund financial statements as payments accrued. For the year ended June 30, 2021, the District contributed $5,171,271 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any means other than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	624
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	933
Total	1,557

B) Total OPEB Liability

The District's total OPEB liability of $227,919,162 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019 and rolled forward to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Discount rate	2.16%
Healthcare cost trend rates	6.50% for 2021, decreasing 0.5% per year to an ultimate rate of 4.0% for 2026 and later years
Retirees' share of benefit-related costs	60% to 100% of projected health insurance premiums

The discount rate was based on the 20-Bond GO Index as of June 30, 2021, which tracks the average yields of 20 general obligation municipal bonds. The average rating of the 20 bonds that make up the index are grade Aa2 (Moody's) or grade AA (Standard & Poor's).

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality Table. Mortality improvements are projected using Improvement Scale MP-2019.

C) Changes in total OPEB liability

Total OPEB liability as of July 1, 2020	$ 219,923,002
Service cost	7,216,783
Interest	4,685,046
Changes in benefit terms	-
Differences between expected and actual experience	(718,837)
Changes in assumptions or other inputs	1,984,439
Benefit payments	(5,171,271)
Total net changes	7,996,160
Total OPEB liability as of June 30, 2021	$ 227,919,162

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2020 to 2.16% percent in 2021 and a change in healthcare cost trend rates from 7% in 2020 to 6.50% in 2021.

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

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	$ 276,219,667	$ 227,919,162	$ 190,678,212

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the assumed healthcare cost trend rate:

	1% Decrease (5.5%) Decreasing to (3.0%)	Healthcare Cost Trend Rates (6.5%) Decreasing to (4.0%)	1% Increase (7.5%) Decreasing to (5.0%)
Total OPEB liability	$ 186,443,569	$ 227,919,162	$ 283,243,655

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of $13,786,622. At June 30, 2021, the 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
Difference between expected and actual experience	$ -	$ 23,859,980
Changes of assumptions or other inputs	42,096,252	-
Total	$ 42,096,252	$ 23,859,980

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

Fiscal Year Ended June 30,	
2022	$ 1,884,793
2023	1,884,793
2024	1,884,793
2025	1,884,793
2026	1,884,793
Thereafter	8,812,307
	$ 18,236,272

NOTE 16 – RISK MANAGEMENT:

A) General Information:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B) Risk Retention:

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2021, the District has recorded a workers' compensation claims payable for $1,696,812. This represents the District's liability for unpaid reported claims and unreported claims which were incurred but not reported (IBNR) before year end, discounted at 2%. The District has a workers' compensation reserve in the amount of $1,505,195.

The claims activity is as follows:

	2021	2020
Unpaid claims at beginning of year	$ 1,936,967	$ 2,263,727
Incurred claims	207,583	104,735
Claims payments and adjustments	(447,738)	(431,495)
Unpaid claims at year end	$ 1,696,812	$ 1,936,967

C) Consortiums and Self-Insured Plans:

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

NOTE 17 – COMMITMENTS AND CONTINGENCIES:

A) Assigned: Unappropriated – Encumbrances:

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

General fund for:		
General support	$	804,541
Instruction		651,211
Transportation		230,096
Employee benefits		31,411
Total General fund	$	1,717,259
School lunch fund	$	9,614
Capital projects fund	$	55,625

B) Grants:

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

C) Litigation:

As of June 30, 2021, the District is unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

NOTE 18 – RESTATEMENT OF FUND BALANCES / NET POSITION:

During the year ended June 30, 2021, the District implemented GASB Statement No. 84. The adoption and implementation of this Statement resulted in the reporting changes in current assets and other assets and current and other liabilities. The District's net fund balance and net position have been restated as follows:

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Miscellaneous Special Revenue Fund			Statement of Net Position
		Scholarships	Extraclassroom	Other Activities	
Fund Balance/Net Position (Deficit) Beginning of year, as reported	$ 31,720,674	$ -	$ -	$ -	$ (134,237,110)
Assets					
Unrestricted cash	951,611		275,298	188,138	1,415,047
Restricted cash		132,451			132,451
Due from fiduciary funds	(528,433)				(528,433)
Total Assets	423,178	132,451	275,298	188,138	1,019,065
Liabilities					
Current and other liabilities	452,078				452,078
Due to fiduciary funds	(28,900)				(28,900)
Total liabilities	423,178	-	-	-	423,178
Fund Balance/Net Position (Deficit)					
Restricted for scholarships		132,451			132,451
Assigned, unappropriated			275,298	188,138	
Unrestricted					463,436
Total Fund Balance/Net Position	-	132,451	275,298	188,138	595,887
Net increase (decrease) in Fund Balance/Net Position	-	132,451	275,298	188,138	595,887
Fund Balance/Net Position (Deficit) Beginning of year, as restated	$ 31,720,674	$ 132,451	$ 275,298	$ 188,138	$ (133,641,223)

NOTE 19 – SUBSEQUENT EVENTS:

The District has evaluated subsequent events through September 30, 2021 which is the date the financial statements were available to be issued. The following subsequent event was identified:

In July 2021, the District was awarded Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funding of $5,133,134 through the Elementary and Secondary School Emergency Relief (ESSER) Program and $497,558 through the Governor's Emergency Education Relief (GEER) Program. The funds are to be used for eligible expenditures which support the District's ability to continue to provide educational services. The funds will be recognized in the special aid fund as expended.

SUPPLEMENTARY INFORMATION

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 120,641,023	$ 111,113,416	$ 111,113,416	$ -
Other tax items		9,527,607	9,534,917	7,310
Charges for services	2,460,000	2,460,000	2,920,719	460,719
Use of money and property	1,850,000	1,850,000	1,380,980	(469,020)
Sale of property and compensation for loss			24,736	24,736
Miscellaneous	1,202,000	1,202,000	1,688,924	486,924
Interfund revenues	3,450,000	3,450,000	3,401,171	(48,829)
State Sources				
Basic formula	35,554,241	20,638,266	20,370,184	(268,082)
Excess cost aid		4,927,079	5,048,207	121,128
Lottery aid		6,529,402	6,529,402	
BOCES aid		2,645,038	2,645,038	
Tuition Aid		147,640	147,640	
Textbook aid		277,406	277,406	
Computer hardware and software aid		229,889	229,889	
Library A/V loan program aid		9,589	9,589	
Other state aid		149,932	383,645	233,713
Federal sources	650,000	650,000	1,282,046	632,046
TOTAL REVENUES	165,807,264	165,807,264	166,987,909	$ 1,180,645
APPROPRIATED FUND BALANCE				
Appropriated Fund Balance	5,100,000	5,100,000		
Prior Year's Encumbrances	4,040,723	4,040,723		
Appropriated Reserves	3,750,000	3,750,000		
TOTAL REVENUES, APPROPRIATED FUND BALANCE AND RESERVES	$ 178,697,987	$ 178,697,987		

Budget Basis of Accounting

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

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 111,541	$ 97,241	$ 85,357	$ 730	$ 11,154
Central administration	457,296	457,296	446,390	238	10,668
Finance	2,426,647	2,814,717	2,419,986	230,397	164,334
Staff	672,634	628,434	521,489	12,553	94,392
Central services	11,298,753	11,006,584	10,413,664	560,623	32,297
Special items	1,261,112	1,229,055	1,207,664		21,391
Total General Support	16,227,983	16,233,327	15,094,550	804,541	334,236
Instruction					
Instruction, administration & improvement	9,182,636	9,196,599	8,756,883	4,198	435,518
Teaching - regular school	51,288,783	50,670,305	52,638,905	114,314	(2,082,914)
Programs for children with disabilities	27,942,081	27,874,080	26,875,695	64,286	934,099
Occupational education	1,100,000	1,100,000	1,100,000		-
Teaching - special schools	600,152	593,232	458,962	110,005	24,265
Instructional media	4,681,990	4,885,875	4,412,676	280,996	192,203
Pupil services	6,277,107	7,482,146	6,746,056	77,412	658,678
Total Instruction	101,072,749	101,802,237	100,989,177	651,211	161,849
Pupil transportation	11,560,435	11,684,098	10,606,070	230,096	847,932
Community services	37,837	37,837	35,042		2,795
Employee benefits	41,698,202	40,929,698	38,287,396	31,411	2,610,891
Debt Service					
Debt service principal	4,320,781	4,173,790	4,102,391		71,399
Debt service interest	1,600,000	1,657,000	1,633,759		23,241
Total Debt Service	5,920,781	5,830,790	5,736,150		94,640
TOTAL EXPENDITURES	176,517,987	176,517,987	170,748,385	1,717,259	4,052,343
OTHER FINANCING USES					
Transfers to other funds	2,180,000	2,180,000	2,180,000		
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 178,697,987	$ 178,697,987	172,928,385	$ 1,717,259	$ 4,052,343
NET CHANGE IN FUND BALANCE			(5,940,476)		
FUND BALANCE - BEGINNING			31,720,674		
FUND BALANCE - ENDING			$ 25,780,198		

Budget Basis of Accounting

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

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 7,216,783	$ 6,952,955	$ 5,365,086	$ 5,165,193
Interest on total OPEB liability	4,685,046	4,414,868	7,020,823	6,785,189
Differences between expected and actual experience	(718,837)	(26,687,690)	(920,786)	(519,619)
Changes in assumptions or other inputs	1,984,439	37,717,642	11,841,359	-
Benefit payments	(5,171,271)	(5,095,940)	(5,124,660)	(5,158,204)
Net change in total OPEB liablity	7,996,160	17,301,835	18,181,822	6,272,559
Total OPEB liability - beginning	219,923,002	202,621,167	184,439,345	178,166,796
Total OPEB liability - ending	$ 227,919,162	$ 219,923,002	$ 202,621,167	$ 184,439,355
District's covered employee payroll	$ 76,221,412	$ 76,221,412	$ 71,710,629	$ 71,710,629
Total OPEB liability as a percentage of covered employee payroll	299.02%	288.53%	282.55%	257.20%

Notes to Schedule:

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

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% percent in 2021 and a change in healthcare cost trend rates from 7% in 2020 to to 6.50% in 2021.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (LIABILITY)/ASSET
FOR THE LAST SEVEN FISCAL YEARS ENDED JUNE 30,*

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension (liability)/asset	0.0400712%	0.0402017%	0.0414124%	0.0497320%	0.0498795%	0.0490031%	0.0483009%
District's proportionate share of the net pension (liability)/asset	$ (39,900)	$ (10,645,641)	$ (2,934,197)	$ (1,605,072)	$ (4,686,790)	$ (7,865,141)	$ (1,631,724)
District's covered payroll	$ 16,194,698	$ 16,035,649	$ 15,978,708	$ 17,100,993	$ 18,652,865	$ 18,238,761	$ 17,679,595
District's proportionate share of the net pension (liability)/asset as a percentage of its covered payroll	0.25%	66.39%	18.36%	9.39%	25.13%	43.12%	9.23%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension (liability)/asset	0.417545%	0.411426%	0.399524%	0.383359%	0.384008%	0.379933%	0.369013%
District's proportionate share of the net pension (liability)/asset	$ (11,537,903)	$ 10,688,867	$ 7,224,457	$ 2,913,912	$ (4,112,288)	$ 39,462,897	$ 41,105,753
District's covered payroll	$ 71,831,144	$ 70,108,972	$ 66,141,438	$ 61,889,514	$ 60,435,165	$ 58,060,154	$ 55,602,537
District's proportionate share of the net pension (liability)/asset as a percentage of its covered payroll	16.06%	15.25%	10.92%	4.71%	6.80%	67.97%	73.93%
Plan fiduciary net position as a percentage of the total pension liability	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30,

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 2,364,439	$ 2,305,705	$ 2,511,388	$ 2,636,644	$ 2,753,273	$ 3,102,809	$ 3,364,271	$ 3,188,815	$ 3,263,054	$ 2,849,705
Contributions in relation to the contractually required contribution	2,364,439	2,305,705	2,511,388	2,636,644	2,753,273	3,102,809	3,364,271	3,188,815	3,263,054	2,849,705
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$15,892,333	$15,917,869	$16,008,737	$16,069,007	$18,509,052	$18,373,788	$17,963,008	$17,291,655	$17,038,034	$17,689,170
Contributions as a percentage of covered employee payroll	14.88%	14.49%	15.69%	16.41%	14.88%	16.89%	18.73%	18.44%	19.15%	16.11%

NYTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 6,758,692	$ 6,279,153	$ 7,293,140	$ 6,377,649	$ 7,118,974	$ 7,857,388	$10,004,554	$ 6,758,443	$ 6,576,921	$ 6,396,310
Contributions in relation to the contractually required contribution	6,758,692	6,279,153	7,293,140	6,377,649	7,118,974	7,857,388	10,004,554	6,758,443	6,576,921	6,396,310
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$72,074,698	$71,831,144	$70,108,972	$66,141,438	$61,889,514	$60,435,165	$58,060,154	$55,602,537	$54,787,789	$57,779,812
Contributions as a percentage of covered employee payroll	9.38%	8.74%	10.40%	9.64%	11.50%	13.00%	17.23%	12.15%	12.00%	11.07%

See Paragraph on Supplementary Schedules Included in Auditor's Report

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 174,657,264
Add: Prior year's encumbrances	4,040,723
Original Budget	178,697,987
Final Budget	$ 178,697,987

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter-approved expenditure budget		$ 184,937,763
Maximum allowed (4% of 2021-22 budget)		$ 7,397,511
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$ 6,217,259	
Unassigned fund balance	5,089,635	
Total unrestricted fund balance		11,306,894
Less:		
Appropriated fund balance	$ 4,500,000	
Encumbrances included in assigned fund balance	1,717,259	
Total adjustments		6,217,259
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 5,089,635
Actual percentage		2.75%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unassigned fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Appropriation	Revised Appropriation	Expenditures: Prior Year's	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance June 30, 2021
OW Boiler	$ -	$ 446,345	$ 2,977	$ 443,112	$ 446,089	$ 256	$ -	$ -	$ 446,345	$ 446,345	$ 256
Memorial Repairs	20,419	151,230	42,614	108,616	151,230	-	-	-	151,230	151,230	-
WWHS PAC Upgrades	1,466,554	1,496,240	1,490,879	5,361	1,496,240	-	-	-	1,496,240	1,496,240	-
DO Bathroom Renovation	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-
PAC Entranceway	75,700	84,500	-	84,328	84,328	172	-	-	84,500	84,500	172
WWHS Forum	712,885	682,500	-	648,107	648,107	34,393	-	-	682,500	682,500	34,393
Stimson Parking Lot	923,000	937,784	-	859,757	859,757	78,027	-	-	937,784	937,784	78,027
Smart Schools Phase 1	300,907	300,907	298,260	-	298,260	2,647	-	300,907	-	300,907	2,647
Smart Schools Phase 2	398,731	398,731	393,479	-	393,479	5,252	-	398,731	-	398,731	5,252
Smart Schools Phase 3	548,873	548,873	548,861	-	548,861	12	-	548,873	-	548,873	12
Smart Schools Phase 4	707,824	707,824	-	654,568	654,568	53,256	-	707,824	-	707,824	53,256
TOTAL	$ 5,254,893	$ 5,854,934	$ 2,777,070	$ 2,903,849	$ 5,680,919	$ 174,015	$ -	$ 1,956,335	$ 3,898,599	$ 5,854,934	174,015
Less: Smart Schools Aid not yet received											(707,824)
Less: Uncertified Smart Schools Aid											(2,647)
											$ (536,456) *

* The deficit fund balance will be eliminated when Smart Schools Bond aid is received.

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2021

Capital assets, net		$ 54,766,031
Add:		
Library bond	$ 620,000	
Unamortized deferred charges on advance refunding of bonds	580,629	$ 1,200,629
Deduct:		
Short-term portion of bonds payable (inclusive of unamortized premium)	$ 3,647,641	
Long-term portion of bonds payable (inclusive of unamortized premium)	18,491,499	
Short-term portion of energy performance contract debt payable	828,344	
Long-term portion of energy performance contract debt payable	4,648,115	
Short-term portion of installment purchase debt payable	18,025	
Long-term portion of installment purchase debt payable	17,654	27,651,278
Net investment in capital assets		$ 28,315,382

Robert S. Abrams
(1926–2014)

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

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

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

To the Board of Education
South Huntington Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the South Huntington Union Free School District (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

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

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
September 30, 2021

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

September , 2022

The Board of Education of
South Huntington Union Free School District,
in the County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to South Huntington Union Free School District (the "School District"), in the County of Suffolk, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $38,495,000 Tax Anticipation Notes for 2022-2023 Taxes (the "Note"), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon subject to certain statutory limitations. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

APPENDIX E

FORM OF EVENTS NOTICE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the South Huntington Union Free School District, in the County of Suffolk, a school district of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of September 21, 2022.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $38,495,000 Tax Anticipation Notes for 2022-2023 Taxes, dated September 21, 2022, maturing on June 28, 2023, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **September 21, 2022.**

SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education