

**VALLEY STREAM UNION FREE SCHOOL DISTRICT
TWENTY-FOUR**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS**

June 30, 2024

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

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VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Valley Stream Union Free School District #24

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Valley Stream Union Free School District #24 (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension asset/(liability), schedule of District pension contributions, and schedule of changes in the District's total other post-employment benefits liability and related ratios on pages 4 through 17 and 56 through 60, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 9, 2024

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Valley Stream Union Free School District Twenty-Four's (District) discussion and analysis of the financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024 in comparison with the year ended June 30, 2023, with emphasis on the current year. This should be read in conjunction with the financial statements, notes to financial statements, and required supplementary information, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- The District's total net position was a deficit of \$13,779,251 in the district-wide financial statements at June 30, 2024, compared to a deficit of \$13,296,726 at June 30, 2023. The deficit increased by \$482,525 over the prior year due to an excess of expenses over revenues using the economic resources measurement focus and the accrual basis of accounting.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$40,419,373. Of this amount, \$3,067,364 was offset by program charges for services, operating grants and contributions, and capital grants. General revenues of \$36,869,484 amount to 92.32% of total revenues, and were not adequate to cover the balance of program expenses.
- The District's general fund fund balance, as reflected in the fund financial statements was \$11,499,406 at June 30, 2024. This balance represents a \$706,527 increase (6.55%) over the prior year due to an excess of revenues over expenditures and other financing uses, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
 - Unassigned fund balance increased by \$96,966 to \$1,571,302.
 - Restricted fund balances increased by \$439,364 due to the funding of reserves and interest allocated to the reserves offset by the use of reserves.
- On May 21, 2024, the voters of the District approved the use of the capital reserve in the amount of \$425,000 to fund air conditioning, window installations and electrical projects, as well as \$800,000 to fund door and fire alarm upgrade projects. The District transferred the \$1,225,000 funding during the 2023 – 2024 year to the capital projects fund.
- On May 21, 2024, the voters approved the creation of a new capital reserve fund. The reserve has a funding cap of \$5,000,000 plus investment income over a probable term of 10 years from the general fund or transfers from other reserves. This reserve has been funded by the District in the amount of \$1,752,549 through June 30, 2024.
- The District's 2024 property tax levy of \$22,604,855 was a 1.25% increase over the 2023 tax levy, which was equal to the District's property tax cap.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-Wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Fund Financial Statements

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

Governmental Funds

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

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

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

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

Fiduciary Fund

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position decreased by \$482,525 between fiscal year 2024 and 2023. The decrease is due to expenses in excess of revenues using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	2024	2023	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 17,259,883	\$ 13,932,227	\$ 3,327,656	23.88 %
Capital Assets, Net	12,158,276	12,661,491	(503,215)	(3.97)%
Total Assets	<u>29,418,159</u>	<u>26,593,718</u>	<u>2,824,441</u>	10.62 %
Deferred Outflows of Resources	<u>15,676,224</u>	<u>19,881,531</u>	<u>(4,205,307)</u>	(21.15)%
Liabilities				
Current and Other Liabilities	4,121,695	2,525,658	1,596,037	63.19 %
Long-Term Liabilities	3,555,989	3,764,597	(208,608)	(5.54)%
Total OPEB Liability	35,606,840	35,357,023	249,817	0.71 %
Net Pension Liabilities -				
Proportionate Share	1,853,024	3,001,755	(1,148,731)	(38.27)%
Total Liabilities	<u>45,137,548</u>	<u>44,649,033</u>	<u>488,515</u>	1.09 %
Deferred Inflows of Resources	<u>13,736,086</u>	<u>15,122,942</u>	<u>(1,386,856)</u>	(9.17)%
Net Position (Deficit)				
Net Investment in Capital Assets	10,179,666	10,338,534	(158,868)	(1.54)%
Restricted	10,428,199	8,800,563	1,627,636	18.49 %
Unrestricted (Deficit)	<u>(34,387,116)</u>	<u>(32,435,823)</u>	<u>(1,951,293)</u>	6.02 %
Total Net Position (Deficit)	<u>\$ (13,779,251)</u>	<u>\$ (13,296,726)</u>	<u>\$ (482,525)</u>	3.63 %

The increase in current and other assets is primarily due to increases in cash and cash equivalents, and amounts due from state and federal, offset by a decrease in amounts due from other governments.

The decrease in capital assets, net is due to depreciation and amortization expense in excess of capital asset additions. The accompanying Notes to Financial Statements, Note 9 "Capital Assets" provides additional information.

Deferred outflows of resources represents contributions to the pension and OPEB plans subsequent to the measurement dates and actuarial adjustments of the pension and OPEB plans that will be amortized in future years.

The increase in current and other liabilities is principally due to increases in amounts due to other governments and amounts due to fiduciary funds.

The decrease in long-term liabilities is the result of the repayment of the current maturity of indebtedness, offset by an increase compensated absences payable.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The total OPEB liability increased, based on the actuarial valuation of the plan. The accompanying Notes to Financial Statements, Note 14 "Postemployment Healthcare Benefits", provides additional information.

Net pension liabilities – proportionate share represents the District's share of the New York State Teachers' Retirement System's (TRS) and the New York State and Local Employees' Retirement System's (ERS) collective net pension liabilities, at the measurement date of the respective year. The decrease in net pension liabilities is primarily due to the net change in the market value of both the TRS' and ERS' pension plan assets being in excess of the net change in each plan's total pension liabilities at their current year measurement dates. The accompanying Notes to Financial Statements, Note 12 "Pension Plans – New York State" provides additional information.

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

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

The restricted amount relates to the District's reserves, which increased from the prior year, mainly due to transfers into, and interest earned on reserves, net of planned use of reserves.

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

B. Changes in Net Position

The results of operations, as a whole, are reported in the Statement of Activities in a programmatic format. In the accompanying financial statements, school tax relief (STAR), revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 247,986	\$ 347,513	\$ (99,527)	(28.64)%
Operating Grants & Contributions	2,568,265	2,309,025	259,240	11.23 %
Capital Grants	251,113	414,955	(163,842)	(39.48)%
General Revenues				
Property Taxes and STAR	22,627,153	22,339,948	287,205	1.29 %
State Sources	12,724,579	10,918,710	1,805,869	16.54 %
Other	1,517,752	1,341,999	175,753	13.10 %
Total Revenues	<u>39,936,848</u>	<u>37,672,150</u>	<u>2,264,698</u>	6.01 %

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

	2024	2023	Increase (Decrease)	Percentage Change
Expenses				
General Support	\$ 5,347,620	\$ 4,546,874	\$ 800,746	17.61 %
Instruction	32,310,129	29,596,161	2,713,968	9.17 %
Pupil Transportation	2,254,192	2,054,623	199,569	9.71 %
Debt Service - Interest	73,969	83,126	(9,157)	(11.02)%
Food Service Program	433,463	374,353	59,110	15.79 %
Total Expenses	<u>40,419,373</u>	<u>36,655,137</u>	<u>3,764,236</u>	10.27 %
Change in Net Position	<u>\$ (482,525)</u>	<u>\$ 1,017,013</u>	<u>\$ (1,499,538)</u>	(147.45)%

The District's net position decreased by \$482,525 and increased by \$1,017,013 for the years ended June 30, 2024 and 2023, respectively.

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

- The increase in state sources is chiefly due to the District receiving more in basic state aid and lottery aid.
- Real property taxes and STAR were increased to fund additional appropriations in the voter-approved 2023 - 2024 budget.
- Operating grants and contributions increased mainly due to the District incurring more in reimbursable grant expenses than it had in the prior year.

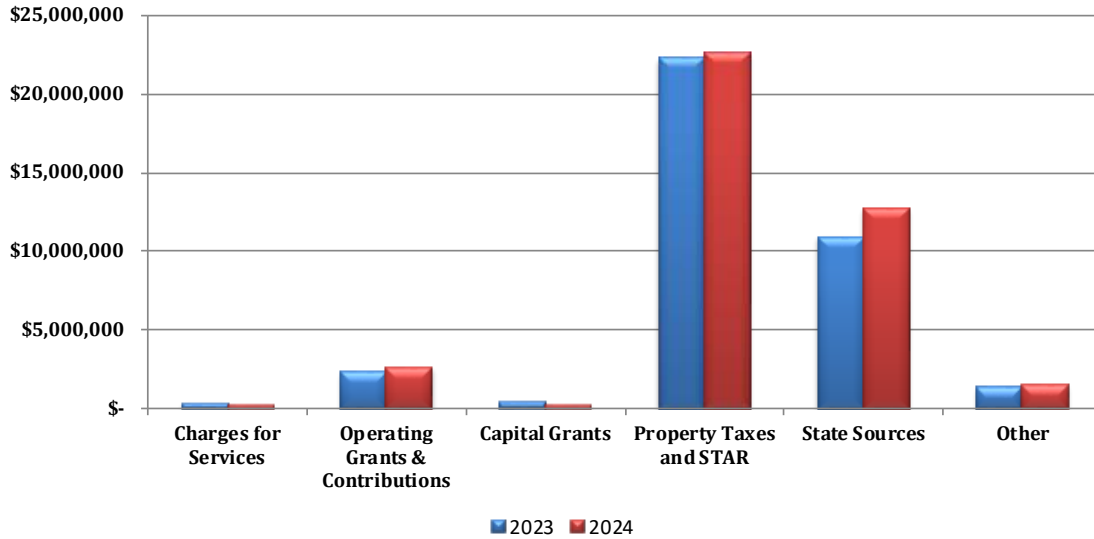
The District's expenses increased when compared to the prior year, primarily due to the following major changes:

- General support and instruction increased based on the impact of allocations of the net change in actuarially determined pension expenses for TRS and ERS, and OPEB costs.

As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 56.7% and 59.3% of the total for the years 2024 and 2023, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 79.9% and 80.8% of the total for the years 2024 and 2023, respectively).

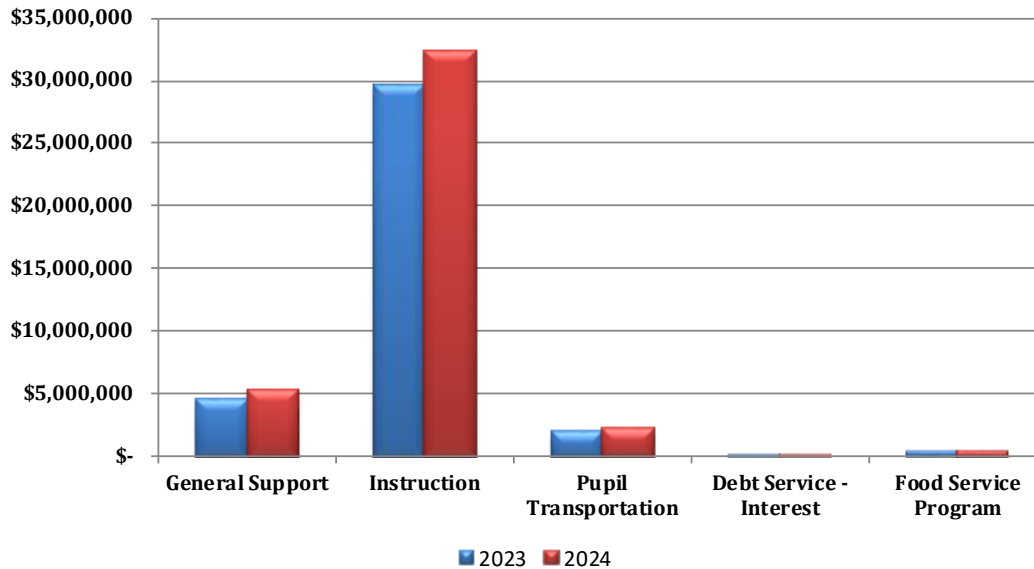
VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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



	Charges for Services	Operating Grants & Contributions	Capital Grants	Property Taxes and STAR	State Sources	Other
2023	0.9%	6.1%	1.1%	59.3%	29.0%	3.6%
2024	0.6%	6.4%	0.6%	56.7%	31.9%	3.8%

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



	General Support	Instruction	Pupil Transportation	Debt Service - Interest	Food Service Program
2023	12.4%	80.8%	5.6%	0.2%	1.0%
2024	13.2%	79.9%	5.6%	0.2%	1.1%

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2024, the District's governmental funds reported a combined fund balance of \$12,468,196, which is an increase of \$1,530,140 over the prior year. This increase is due to an excess of revenues and other financing sources over expenditures and other financing uses using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General Fund				
Restricted				
Unemployment insurance	\$ 25,076	\$ 23,966	\$ 1,110	4.63 %
Retirement contribution:				
Teachers' retirement system	1,174,359	1,122,390	51,969	4.63 %
Employees' retirement system	4,000,899	3,823,846	177,053	4.63 %
Liability	-	425,000	(425,000)	(100.00)%
Employee benefit accrued liability	1,346,602	1,316,888	29,714	2.26 %
Capital	2,266,825	1,662,307	604,518	36.37 %
Assigned				
Appropriated fund balance	900,000	900,000	-	0.00 %
Unappropriated fund balance	214,343	44,146	170,197	385.53 %
Unassigned: Fund balance	<u>1,571,302</u>	<u>1,474,336</u>	<u>96,966</u>	6.58 %
	<u>11,499,406</u>	<u>10,792,879</u>	<u>706,527</u>	6.55 %
 School Food Service				
Assigned: Unappropriated fund balance	-	6,858	(6,858)	(100.00)%
Unassigned: Fund balance (deficit)	<u>(44,403)</u>	<u>-</u>	<u>(44,403)</u>	0.00 %
	<u>(44,403)</u>	<u>6,858</u>	<u>(51,261)</u>	(747.46)%
 Capital Projects Fund				
Restricted: Capital	1,613,408	425,000	1,188,408	279.63 %
Unassigned: Fund balance (deficit)	<u>(601,245)</u>	<u>(287,847)</u>	<u>(313,398)</u>	108.88 %
	<u>1,012,163</u>	<u>137,153</u>	<u>875,010</u>	637.98 %
 Scholarships Fund				
Restricted: Scholarships	<u>1,030</u>	<u>1,166</u>	<u>(136)</u>	(11.66)%
 Total Fund Balance	<u><u>\$ 12,468,196</u></u>	<u><u>\$ 10,938,056</u></u>	<u><u>\$ 1,530,140</u></u>	13.99 %

A. General Fund

The general fund – fund balance is a net increase of \$706,527. This resulted from revenues in excess of expenditures and other financing uses.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

	2024	2023	Increase (Decrease)	Percentage Change
Real Property Taxes and STAR	\$ 22,627,153	\$ 22,339,948	\$ 287,205	1.29 %
Other Local Sources	1,640,256	1,481,742	158,514	10.70 %
State Sources	12,724,579	10,918,710	1,805,869	16.54 %
Medicaid Reimbursement	110,084	167,022	(56,938)	(34.09)%
Federal Sources	-	45,640	(45,640)	(100.00)%
	<u>\$ 37,102,072</u>	<u>\$ 34,953,062</u>	<u>\$ 2,149,010</u>	6.15 %

- State sources increased mainly due to the District receiving more in basic state aid and lottery aid.
- Property taxes and STAR increased due to an increase in the tax levy in accordance with the 2023 - 2024 voter-approved budget.

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

	2024	2023	Increase (Decrease)	Percentage Change
General Support	\$ 4,111,584	\$ 3,551,888	\$ 559,696	15.76 %
Instruction	21,614,359	20,196,175	1,418,184	7.02 %
Pupil Transportation	2,034,888	1,848,849	186,039	10.06 %
Employee Benefits	6,881,446	6,654,293	227,153	3.41 %
Debt Service	420,155	417,831	2,324	0.56 %
Other Financing Uses	1,333,113	919,455	413,658	44.99 %
	<u>\$ 36,395,545</u>	<u>\$ 33,588,491</u>	<u>\$ 2,807,054</u>	8.36 %

- Instruction increased principally due to the growth in salaries and tuition services. The increases in tuition services are due to greater enrollment and program costs, predominantly within programs for students with disabilities.
- General support increased primarily due to a settlement agreement paid for by funds transferred from the District's liability reserve.
- Other financing uses increased largely due to a transfer from the general fund provided budget transfer and voter-approved transfer from the capital reserve to the capital projects fund, to fund the air conditioning and electrical, as well as the door and fire alarm projects.
- Employee benefits increased mainly due to a rise in health insurance premiums.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

	Balance June 30, 2023	Use of Reserves	Interest	Funding	Balance June 30, 2024
Unemployment insurance	\$ 23,966	\$	\$ 1,110	\$	\$ 25,076
Retirement contribution:					
TRS	1,122,390		51,969		1,174,359
ERS	3,823,846		177,053		4,000,899
Liability	425,000	(425,000)			
EBALR	1,316,888	(31,262)	60,976		1,346,602
Capital	1,662,307	(1,225,000)	76,969	1,752,549	2,266,825
	<u>\$ 8,374,397</u>	<u>\$ (1,681,262)</u>	<u>\$ 368,077</u>	<u>\$ 1,752,549</u>	<u>\$ 8,813,761</u>

Additional detail regarding capital reserves can be found in Note 18 "Restricted for Capital Reserve."

B. School Food Service Fund

The school food service fund - fund balance net decrease can be attributed to the District increased expenses related to the school food service contract.

C. Capital Projects Fund

The capital projects fund - fund balance net increase is the result of general fund transfers from the capital reserve in excess of capital outlay expenditures.

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

Creation Date	Balance June 30, 2023	Use of Reserve	Funding	Balance June 30, 2024
May 2018	<u>\$ 425,000</u>	<u>\$ (36,592)</u>	<u>\$ 1,225,000</u>	<u>\$ 1,613,408</u>

D. Scholarships Fund

The scholarships fund - fund balance decreased due to scholarship awards in excess of interest earnings.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's general fund adopted budget for the year ended June 30, 2024 was \$37,019,209. This amount was increased by encumbrances carried forward from the prior year in the amount of \$44,146, and budget revisions of \$1,681,262, for a total final budget of \$38,744,617. The budget revisions were for payments to retirees for unused accumulated leave funded by the employee benefit accrued liability reserve, settlement payments funded by use of the liability reserve, and the voter-approved use of the capital reserve.

The final budget was funded through a combination of estimated revenues and appropriated reserves. The majority of this funding source was \$22,604,855 in estimated property taxes and STAR.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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

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

Opening, Unassigned Fund Balance	\$ 1,474,336
Revenues Over Budget	982,863
Expenditures, Other Financing Uses, and Encumbrances Under Budget	2,134,729
Allocation to Reserves	(2,120,626)
Appropriated to Fund the June 30, 2025 Budget	<u>(900,000)</u>
Closing, Unassigned Fund Balance	<u><u>\$ 1,571,302</u></u>

Opening, Unassigned Fund Balance

The \$1,474,336 shown in the table is the portion of the District's June 30, 2023 fund balance that was retained as unassigned.

Revenues Over Budget

The 2023-2024 final budget for revenues was \$36,119,209. Actual revenues recognized for the year were \$37,102,072. The excess of actual revenues over estimated or budgeted revenues was \$982,863. This contributes directly to the change to the general fund unassigned fund balance from June 30, 2023 to June 30, 2024. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The 2023-2024 final budget for expenditures and other financing uses was \$38,744,617. Actual expenditures and other financing uses as of June 30, 2024 were \$36,395,545 and outstanding encumbrances were \$214,343. Combined, the expenditures and other financing uses plus encumbrances for 2023-2024 were \$36,609,888. The final budget variance was \$2,134,729, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2023 to June 30, 2024. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Allocation to Reserves

Monies transferred into authorized reserves do not affect the total fund balance unless, and until these monies are actually expended. The transfers do, however, reduce the District's discretion regarding the use of these transferred monies, and thus, reduce the unassigned fund balance by the amount of the transfers. The table in §4.A. "General Fund" (summary of restricted fund balance activity) of this MD&A details the allocation of interest earnings and funding transfers to the reserves.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Appropriated Fund Balance

The District has chosen to use \$900,000 of the available June 30, 2024 unassigned fund balance to partially fund the 2024-2025 approved operating budget. As such, the June 30, 2024 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the summary table, the unassigned fund balance at June 30, 2024 was \$1,571,302. This amount equals 4.0% of the 2024-2025 budget, which is equal to the 4.0% statutory limit.

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

A. Capital Assets

At June 30, 2024, the District had invested in a broad range of capital assets, as indicated in the following table. The net decrease in capital assets is due to depreciation expense of \$926,738 in excess of capital additions of \$423,523 for the year ended June 30, 2024. A summary of the District's capital assets, net of accumulated depreciation/amortization at June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)
Land	\$ 155,300	\$ 155,300	\$ -
Construction in progress	153,577	299,382	(145,805)
Buildings and improvements	9,877,441	10,051,475	(174,034)
Furniture and equipment	1,962,388	2,142,956	(180,568)
Licensed vehicles	-	1,710	(1,710)
Leased equipment	9,570	10,668	(1,098)
	<u>\$ 12,158,276</u>	<u>\$ 12,661,491</u>	<u>\$ (503,215)</u>

B. Debt Administration

At June 30, 2024, the District had combined total debt of \$1,978,610. The decreases in outstanding debt represent principal payments made throughout the year. A summary of the outstanding debt at June 30, 2024 and 2023 is as follows:

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Issue/ Commencement Date	Interest Rate	2024	2023	Increase (Decrease)
Installment Purchase Debt				
9/1/2021	0.00%	\$ 49,715	\$ 71,296	\$ (21,581)
Energy Performance Contract Payable				
2/8/2017	2.40%	\$ -	\$ 162,657	\$ (162,657)
11/21/2018	3.56%	1,921,441	2,078,712	(157,271)
		<u>\$ 1,921,441</u>	<u>\$ 2,241,369</u>	<u>\$ (319,928)</u>
Lease Liabilities				
3/30/2023	2.82%	\$ 7,454	\$ 10,292	\$ (2,838)

C. Other Long-Term Liabilities

Included in the District's long-term liabilities are the estimated amounts due for compensated absences, which are based on employment contracts, and total OPEB liability and net pension liabilities – proportionate share, which are based on actuarial valuations. A summary of the outstanding other long-term liabilities at June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)
Compensated absences	\$ 1,577,379	\$ 1,441,640	\$ 135,739
Total OPEB liability	35,606,840	35,357,023	249,817
Net pension liabilities - proportionate share	<u>1,853,024</u>	<u>3,001,755</u>	<u>(1,148,731)</u>
	<u>\$ 39,037,243</u>	<u>\$ 39,800,418</u>	<u>\$ (763,175)</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The general fund budget, the only fund with a legally adopted budget, as approved by the voters on May 21, 2024, for the year ending June 30, 2025 is \$39,282,476. This is an increase of \$2,263,267 or 6.11% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at a \$1,868,930 increase over the prior year's estimate, which is principally due to an estimated increase in state aid. The District has decided to appropriate \$900,000 of fund balance, which is the same as the prior year. A property tax increase of \$384,337 (1.70%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

B. Future Budgets

Factors to consider that could influence future budgets:

- Uncertainty with state aid complicates long-range planning.
- Rise in employee cost centers of employee salaries and health benefits, as well as contributions to pension programs.
- Changing circumstances of unforeseen events and risks including natural disasters and global pandemics.
- Impact of external factors such as market trends, economic conditions, and regulatory changes.
- The combination of high inflation and high-interest rates can impact all lines of the budget.
- Social and demographic changes with population, age distribution, and personal income can have significant and lasting effects.
- Legal and intergovernmental factors constraining tax increases, forbidding particular revenue sources, and mandating some services.

C. Tax Cap

New York State law limits the increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. School districts may override the tax levy limit by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit. However, that budget must be approved by 60% of the votes cast. Based on the law, the District's tax levy cap for 2024-2025 is 2.16%. The District's 2024-2025 property tax increase of 1.70% was less than the tax cap and did not require an override vote.

8. CONTACTING THE DISTRICT

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

Jack R. Mitchell, Ed.D, SFO
Assistant Superintendent for Business
Valley Stream Union Free School District Twenty-Four
75 Horton Avenue
Valley Stream, New York 11581

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

Statement of Net Position

June 30, 2024

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 3,217,554
Restricted	10,428,199
Receivables	
Accounts receivable	7,035
Taxes receivable	256,593
Due from state and federal	3,101,958
Due from other governments	248,544
Capital assets:	
Not being depreciated	308,877
Being depreciated/amortized, net of accumulated depreciation/amortization	<u>11,849,399</u>
Total Assets	<u>29,418,159</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	7,171,084
Other postemployment benefits	<u>8,505,140</u>
Total Deferred Outflows of Resources	<u>15,676,224</u>

LIABILITIES

Payables	
Accounts payable	618,733
Accrued liabilities	43,269
Due to fiduciary fund	1,258,056
Due to other governments	336,736
Due to teachers' retirement system	1,636,670
Due to employees' retirement system	129,001
Compensated absences	31,262
Other liabilities	22,070
Unearned credits	
Collections in advance	45,898
Long-term liabilities	
Due and payable within one year	
Installment purchase debt	21,581
Energy performance contract payable	162,920
Lease liabilities	2,919
Compensated absences payable	75,000
Total other postemployment benefits liability	747,496
Due and payable after one year	
Installment purchase debt	28,134
Energy performance contract payable	1,758,521
Lease liabilities	4,535
Compensated absences payable	1,502,379
Total other postemployment benefits liability	34,859,344
Net pension liabilities - proportionate share	<u>1,853,024</u>
Total Liabilities	<u>45,137,548</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	965,092
Other postemployment benefits	<u>12,770,994</u>
Total Deferred Inflows of Resources	<u>13,736,086</u>

NET POSITION (DEFICIT)

Net investment in capital assets	<u>10,179,666</u>
Restricted:	
Unemployment insurance	25,076
Retirement contribution	
Teachers' retirement system	1,174,359
Employees' retirement system	4,000,899
Employee benefit accrued liability	1,346,602
Capital	3,880,233
Scholarships	1,030
	<u>10,428,199</u>
Unrestricted (Deficit)	<u>(34,387,116)</u>
Total Net Position (Deficit)	<u>\$ (13,779,251)</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

Statement of Activities

For the Year Ended June 30, 2024

		Program Revenues			Net (Expense)
		Charges for	Operating Grants	Capital	Revenue and
	Expenses	Services	& Contributions	Grants	Changes in
					Net Position
FUNCTIONS/PROGRAMS					
General support	\$ 5,347,620	\$	\$	\$	\$ (5,347,620)
Instruction	32,310,129	233,134	2,058,685	251,113	(29,767,197)
Pupil transportation	2,254,192		158,646		(2,095,546)
Debt service - interest	73,969				(73,969)
Food service program	433,463	14,852	350,934		(67,677)
Total Functions and Programs	<u>\$ 40,419,373</u>	<u>\$ 247,986</u>	<u>\$ 2,568,265</u>	<u>\$ 251,113</u>	<u>(37,352,009)</u>
GENERAL REVENUES					
Real property taxes					21,483,475
Other tax items					1,825,859
Use of money and property					501,333
Sale of property and compensation for loss					2,920
Miscellaneous					221,234
State sources					12,724,579
Medicaid reimbursement					110,084
Total General Revenues					<u>36,869,484</u>
Change in Net Position (Deficit)					(482,525)
Total Net Position (Deficit) - Beginning of Year					<u>(13,296,726)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (13,779,251)</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

Balance Sheet - Governmental Funds

June 30, 2024

	General	Special Aid	School Food Service	Capital Projects	Scholarships	Total Governmental Funds
ASSETS						
Cash and cash equivalents						
Unrestricted	\$ 3,216,187	\$ 753	\$ 614	\$	\$	\$ 3,217,554
Restricted	10,424,993			2,819	387	10,428,199
Receivables						
Accounts receivable	7,035					7,035
Taxes receivable	256,593					256,593
Due from other funds	1,858,417			1,009,434	643	2,868,494
Due from state and federal	467,394	1,928,409	29,148	677,007		3,101,958
Due from other governments	248,544					248,544
Total Assets	<u>\$ 16,479,163</u>	<u>\$ 1,929,162</u>	<u>\$ 29,762</u>	<u>\$ 1,689,260</u>	<u>\$ 1,030</u>	<u>\$ 20,128,377</u>
LIABILITIES						
Payables						
Accounts payable	\$ 522,139	\$ 74,663	\$ 21,931	\$	\$	\$ 618,733
Accrued liabilities	31,999	2,720				34,719
Due to other funds	2,268,345	1,831,779	26,426			4,126,550
Due to other governments	336,736					336,736
Due to teachers' retirement system	1,636,670					1,636,670
Due to employees' retirement system	129,001					129,001
Compensated absences payable	31,262					31,262
Other liabilities	22,070					22,070
Unearned credits						
Collections in advance		20,000	25,808	90		45,898
Total Liabilities	<u>4,978,222</u>	<u>1,929,162</u>	<u>74,165</u>	<u>90</u>	<u>-</u>	<u>6,981,639</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>1,535</u>			<u>677,007</u>		<u>678,542</u>
FUND BALANCES (DEFICIT)						
Restricted:						
Unemployment insurance	25,076					25,076
Retirement contribution:						
Teachers' retirement system	1,174,359					1,174,359
Employees' retirement system	4,000,899					4,000,899
Employee benefit accrued liability	1,346,602					1,346,602
Capital	2,266,825			1,613,408		3,880,233
Scholarships					1,030	1,030
Assigned:						
Appropriated fund balance	900,000					900,000
Unappropriated fund balance	214,343					214,343
Unassigned: Fund balance (deficit)	<u>1,571,302</u>		<u>(44,403)</u>	<u>(601,245)</u>		<u>925,654</u>
Total Fund Balances (Deficit)	<u>11,499,406</u>	<u>-</u>	<u>(44,403)</u>	<u>1,012,163</u>	<u>1,030</u>	<u>12,468,196</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,479,163</u>	<u>\$ 1,929,162</u>	<u>\$ 29,762</u>	<u>\$ 1,689,260</u>	<u>\$ 1,030</u>	<u>\$ 20,128,377</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total Governmental Fund Balances (Deficit)	\$ 12,468,196
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The costs of building, acquiring, and the right-to-use capital and intangible assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost or present value of capital and intangible assets	\$ 24,673,989	
Less: Accumulated depreciation/amortization	<u>(12,515,713)</u>	
		12,158,276

Proportionate share of long-term liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	7,171,084	
Net pension liability - teachers' retirement system	(909,130)	
Net pension liability - employees' retirement system	(943,894)	
Deferred inflows of resources	<u>(965,092)</u>	
		4,352,968

Total other postemployment benefits liability, as well as deferred outflows and inflows related to providing benefits in retirement are not current financial resources or liabilities and are not reported in the funds.

Deferred outflows of resources	8,505,140	
Total other postemployment benefits liability	(35,606,840)	
Deferred inflows of resources	<u>(12,770,994)</u>	
		(39,872,694)

Some of the District's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.

678,542

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Accrued interest on debt	(8,550)	
Installment purchase debt payable	(49,715)	
Energy performance contract payable	(1,921,441)	
Lease liabilities	(7,454)	
Compensated absences payable	<u>(1,577,379)</u>	
		<u>(3,564,539)</u>

Total Net Position (Deficit)	<u><u>\$ (13,779,251)</u></u>
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VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

	General	Special Aid	School Food Service	Capital Projects	Scholarships	Total Governmental Funds
REVENUES						
Real property taxes	\$ 21,483,475	\$	\$	\$	\$	\$ 21,483,475
Other tax items	1,825,859					1,825,859
Charges for services	233,134					233,134
Use of money and property	500,787		532		14	501,333
Sale of property and compensation for loss	2,920					2,920
Miscellaneous	221,234		1,053			222,287
State sources	12,724,579	496,110	131,029	51,473		13,403,191
Medicaid reimbursement	110,084					110,084
Federal sources		1,721,221	219,905			1,941,126
Sales			13,799			13,799
Total Revenues	37,102,072	2,217,331	366,318	51,473	14	39,737,208
EXPENDITURES						
General support	4,111,584	154,254				4,265,838
Instruction	21,614,359	1,970,261			150	23,584,770
Pupil transportation	2,034,888	198,308				2,233,196
Employee benefits	6,881,446					6,881,446
Debt service						
Principal	344,347					344,347
Interest	75,808					75,808
Food service program			420,200			420,200
Capital outlay				401,463		401,463
Total Expenditures	35,062,432	2,322,823	420,200	401,463	150	38,207,068
Excess (Deficiency) of Revenues Over Expenditures	2,039,640	(105,492)	(53,882)	(349,990)	(136)	1,530,140
OTHER FINANCING SOURCES AND (USES)						
Operating transfers in		105,492	2,621	1,225,000		1,333,113
Operating transfers (out)	(1,333,113)					(1,333,113)
Total Other Financing Sources and (Uses)	(1,333,113)	105,492	2,621	1,225,000	-	-
Net Change in Fund Balances	706,527	-	(51,261)	875,010	(136)	1,530,140
Fund Balances (Deficit) - Beginning of Year	10,792,879	-	6,858	137,153	1,166	10,938,056
End of Year	\$ 11,499,406	\$ -	\$ (44,403)	\$ 1,012,163	\$ 1,030	\$ 12,468,196

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances	\$ 1,530,140
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Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenue for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).	\$ 199,640
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Certain operating expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, but are expensed in the Statement of Activities.

Increase in compensated absences payable	(135,739)	63,901
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Capital Related Differences

Capital outlays to purchase, build, and the right-to-use 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/amortization expense in the Statement of Activities. This is the amount by which depreciation/amortization expense exceeded capital outlays and other additions in the period.

Capital outlays and other additions	423,523	
Depreciation/amortization expense	(926,738)	
		(503,215)

Long-Term Debt Transactions Differences

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Installment purchase debt	21,581	
Energy performance contract payable	319,928	
Lease liabilities	2,838	

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased from June 30, 2023 to June 30, 2024.

	1,839	346,186
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Pension and Other Postemployment Benefits Differences

The change in the proportionate share of the collective pension expense of the state retirement plans and the change in other postemployment benefits expense reported in the Statement of Activities did not affect current financial resources and, therefore, are not reported in the governmental funds.

Teachers' retirement system	(1,187,006)	
Employees' retirement system	(116,536)	
Other postemployment benefits	(615,995)	
		(1,919,537)

Change in Net Position (Deficit) of Governmental Activities	\$ (482,525)
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VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2024

	<u>Custodial</u>
ASSETS	
Due from other governments	\$ 281,409
Due from governmental funds	<u>1,258,056</u>
	1,539,465
LIABILITIES	
Due to other governments	<u>1,539,465</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ -</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2024

	<u>Custodial</u>
ADDITIONS	
Real property taxes and PILOT collected for other governments:	
Central High School District - real property taxes	\$ 24,439,193
Central High School District - PILOT	<u>715,019</u>
	25,154,212
DEDUCTIONS	
Disbursement of real property taxes and PILOT to the Central High School District	<u>25,154,212</u>
Change in Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (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 authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

B. Joint Venture

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Custodial Fund – is used to account for real property taxes and payments in lieu of taxes (PILOT) collected on behalf of other governments and disbursed to those governments.

D. Measurement Focus and Basis of Accounting

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

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

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Real Property Taxes and Other Tax Items

Calendar

Real property taxes are levied annually by the Board no later than August 15th and become a lien on October 1st and April 1st. Taxes are collected by the Town of Hempstead and remitted to the District from October to June.

The District also levies for a portion of the real property taxes for the Valley Stream Central High School District, which are collected by the Town and included in the amount remitted to the District. The District remits the High School District's share of the tax levy to the High School District as received from the Town. These pass-through amounts are not included in the District's real property taxes revenue, but are accounted for in the custodial fund.

Enforcement

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

School Tax Relief (STAR) Aid

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

F. Payments in Lieu of Taxes (PILOT)

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

PILOT payments collected on behalf of the Valley Stream High School District are remitted to the Valley Stream High School District. These pass-through amounts are not included in the District's other tax items revenue; however, the amounts are recorded within the custodial fund.

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

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

I. Use of Estimates

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

J. Cash and Cash Equivalents

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

K. Receivables

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

L. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 15,000	20-50 years
Furniture and equipment	5,000	5-20 years
Licensed vehicles	5,000	8 years
Leased equipment	5,000	5-20 years

M. Deferred Outflows of Resources

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

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

No short-term debt was issued during the year ended June 30, 2024.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

O. Collections in Advance

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

P. Employee Benefits – Compensated Absences

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

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

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

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

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

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

Q. Other Benefits

Eligible District employees participate in the TRS or the ERS.

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

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

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for most eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

NOTES TO FINANCIAL STATEMENTS

(Continued)

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 financial statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

R. Long-Term Debt

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

S. Lessee Arrangements

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

T. Deferred Inflows of Resources

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

U. Equity Classifications

District-Wide Statements

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

Fund Statements

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

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

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

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

Liability Reserve

Liability reserve (Education Law §1709(8)(c)) is used to pay for liability claims incurred. Separate funds for liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This reserve is accounted for in the general fund.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of accrued employee benefits primarily based on unused and unpaid sick leave, personal leave, holiday leave, or vacation leave due 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. The reserve is accounted for in the general fund.

Capital Reserve

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

Restricted for Scholarships

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

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

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

Fund Balance Classification

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned, or unassigned), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by the budget or any Board approved budget revision, then from the assigned fund balance to the extent appropriated by the Board, and then from the unassigned fund balance.

2. FUTURE ACCOUNTING STANDARDS

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

Effective for the Year Ending	Statement
June 30, 2025	GASB No. 101 – <i>Compensated Absences</i>
June 30, 2025	GASB No. 102 – <i>Certain Risk Disclosures</i>
June 30, 2026	GASB No. 103 – <i>Financial Reporting Model Improvements</i>

GASB Statement No. 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures.

GASB Statement No. 102 was issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

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

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

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

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

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

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension and Other Postemployment Benefits Differences

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

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

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year may be increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

Transfer to the capital projects fund funded by a	
voter-approved expenditure from the capital reserve	\$ 1,225,000
Liability claims payments funded by liability reserve fund	425,000
Retiree payouts of unused accumulated leave	
funded by employee benefit accrued liability reserve	<u>31,262</u>
	<u>\$ 1,681,262</u>

Budgets are adopted annually on a basis consistent with GAAP.

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

B. Encumbrances

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

C. School Food Service Fund Deficit

The school food service fund has an unassigned fund balance deficit of \$44,403. This will be funded by a transfer from the general fund budgeted for in 2024-2025.

D. Capital Projects Fund

The capital projects fund has an unassigned fund balance deficit of \$601,245. This will be funded when the District obtains grant funds from the Dormitory Authority of the State of New York (DASNY), as well as grant funds through the Smart Schools Bond Act (SSBA).

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

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

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

Investment pool:

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to GML Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. NYCLASS is rated AAAm by S&P Global Ratings. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS portfolio holdings are collateralized in accordance with GML §10.

The District's investments in NYCLASS consisted of repurchase agreements, U.S. Treasury Securities, and collateralized bank deposits, with various interest rates and due dates. The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2024, was 38 days and the weighted average life (WAL) was 72 days. These investments are included in cash as follows:

<u>Fund</u>	<u>Carrying Amount</u>
General	<u>\$ 2,152,339</u>

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded as cost, which approximates fair value. The lead participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

6. PARTICIPATION IN BOCES

During the year ended June 30, 2024, the District was billed \$4,612,184 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$514,410. Financial statements for the BOCES are available from the BOCES administrative offices at 71 Clinton Road, P.O. Box 9195, Garden City, New York 11530-9195.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2024 consisted of:

General Fund	
New York State - excess cost aid	\$ 403,883
New York State - general aid	63,511
	<u>467,394</u>
Special Aid Fund	
Federal and state grants	1,928,409
School Food Service Fund	
Federal and state food service program reimbursements	29,148
Capital Projects Fund	
Dormitory Authority of the State of New York	<u>677,007</u>
	<u>\$ 3,101,958</u>

District management expects these amounts to be fully collectible.

8. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2024 consisted of:

General Fund	
BOCES aid	\$ 228,022
Other districts - health services	14,102
Medicaid	<u>6,420</u>
	<u>\$ 248,544</u>

District management expects these amounts to be fully collectible.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

NOTES TO FINANCIAL STATEMENTS

(Continued)

9. CAPITAL ASSETS

A. Changes

Capital assets balances and activity for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 155,300	\$	\$	\$ 155,300
Construction in progress	299,382	401,463	(547,268)	153,577
Total capital assets not being depreciated	<u>454,682</u>	<u>401,463</u>	<u>(547,268)</u>	<u>308,877</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	20,322,966	547,268		20,870,234
Furniture and equipment	3,389,681	22,060	(10,860)	3,400,881
Licensed vehicles	83,008			83,008
Leased equipment	10,989			10,989
Total capital assets being depreciated/amortized	<u>23,806,644</u>	<u>569,328</u>	<u>(10,860)</u>	<u>24,365,112</u>
Less accumulated depreciation/amortization for:				
Buildings	10,271,491	721,302		10,992,793
Furniture and equipment	1,246,725	202,628	(10,860)	1,438,493
Licensed vehicles	81,298	1,710		83,008
Leased equipment	321	1,098		1,419
Total accumulated depreciation/amortization	<u>11,599,835</u>	<u>926,738</u>	<u>(10,860)</u>	<u>12,515,713</u>
Total capital assets, being depreciated/amortized, net	<u>12,206,809</u>	<u>(357,410)</u>	<u>-</u>	<u>11,849,399</u>
Capital assets, net	<u>\$ 12,661,491</u>	<u>\$ 44,053</u>	<u>\$ (547,268)</u>	<u>\$ 12,158,276</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General support	\$ 135,687
Instruction	756,792
Pupil transportation	20,996
Food service program	<u>13,263</u>
Total depreciation and amortization expense	<u>\$ 926,738</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Lease Assets

The District has entered into a lease agreement that is subject to GASB Statement No. 87. The term of the lease is 48 months with an interest rate of 2.816%. This lease is included in leased equipment as shown in the previous table. The District has not provided any residual value guarantees related to the leased capital asset.

C. Impairment Losses

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2024, the District has not recorded any such impairment losses.

10. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2024 are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
Governmental Funds				
General Fund	\$ 1,858,417	\$ 2,268,345	\$	\$ 1,333,113
Special Aid Fund		1,831,779	105,492	
School Food Service Fund		26,426	2,621	
Capital Projects Fund	1,009,434		1,225,000	
Scholarships Fund	643			
Total Governmental Funds	<u>2,868,494</u>	<u>4,126,550</u>	<u>\$ 1,333,113</u>	<u>\$ 1,333,113</u>
Fiduciary Fund	<u>1,258,056</u>			
Total	<u>\$ 4,126,550</u>	<u>\$ 4,126,550</u>		

The District typically transfers from the general fund to the special aid fund, school food service fund, and the capital projects fund. The transfer to the special aid fund was for the District's share of the costs for the summer program for students with disabilities and the state-supported Section 4201 schools. The transfer to the school food service fund represents a reimbursement to the school food service fund for unpaid student meal balances in accordance with state regulations. The transfer to the capital projects fund was a voter approved budgetary transfer. In addition, the transfer to the capital projects fund included amounts that were a voter-approved use of the capital reserve and was a general fund budget revision.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. LONG-TERM LIABILITIES

A. Changes

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

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Installment purchase debt	\$ 71,296	\$	\$ (21,581)	\$ 49,715	\$ 21,581
Energy performance contract	2,241,369		(319,928)	1,921,441	162,920
Lease liabilities	10,292		(2,838)	7,454	2,919
Other long-term liabilities:					
Compensated absences	1,441,640	135,739		1,577,379	75,000
Total OPEB liability	35,357,023	249,817		35,606,840	747,496
	<u>\$ 39,121,620</u>	<u>\$ 385,556</u>	<u>\$ (344,347)</u>	<u>\$ 39,162,829</u>	<u>\$ 1,009,916</u>

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

Additions and reductions to compensated absences are shown net since it is impractical to separately determine these amounts. The maturity of compensated absences is not determinable.

For total OPEB liability, please see subsequent section titled "Postemployment Healthcare Benefits" for additional information.

B. Installment Purchase Debt

Installment purchase debt is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Copiers	9/1/2021	2/28/2027	0.00%	<u>\$ 49,715</u>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 21,581	\$	\$ 21,581
2026	21,581		21,581
2027	<u>6,553</u>		<u>6,553</u>
Total	<u>\$ 49,715</u>	<u>\$ -</u>	<u>\$ 49,715</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Energy Performance Contract

Energy performance contract is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Energy performance contract	11/21/2018	11/15/2033	3.56%	<u>\$ 1,921,441</u>

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 162,920	\$ 66,966	\$ 229,886
2026	168,771	61,115	229,886
2027	174,833	55,053	229,886
2028	181,113	48,773	229,886
2029	187,618	42,268	229,886
2030-2034	<u>1,046,186</u>	<u>103,243</u>	<u>1,149,429</u>
Total	<u>\$ 1,921,441</u>	<u>\$ 377,418</u>	<u>\$ 2,298,859</u>

The terms of the energy performance contract provide that, in the event of default, the lessor shall have the right, without terminating the agreement, to declare all rental payments immediately due and payable or repossess any or all of the equipment by giving the lessee written notice to deliver such equipment or enter the premises to take possession of such equipment and charge the lessee for costs incurred, or terminate the agreement and take possession of and dispose of equipment with any proceeds applied to costs including attorney fees and the balance of any rental payments owed during the fiscal year. Any disposition proceeds in excess of these amounts shall be paid to the lessee.

D. Lease Liabilities

Lease liabilities are comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Postage machine	3/30/2023	3/30/2027	2.816%	<u>\$ 7,454</u>

The following is a summary of debt service requirements for lease liabilities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,919	\$ 179	\$ 3,098
2026	3,002	96	3,098
2027	<u>1,533</u>	<u>16</u>	<u>1,549</u>
Total	<u>\$ 7,454</u>	<u>\$ 291</u>	<u>\$ 7,745</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

There were no additional lease commitments entered into by the District after June 30, 2024.

E. Interest Expense

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

Interest paid	\$ 75,808
Less interest accrued in the prior year	(10,389)
Plus interest accrued in the current year	<u>8,550</u>
Total interest expense on long-term debt	<u><u>\$ 73,969</u></u>

12. PENSION PLANS – NEW YORK STATE

A. General Information

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

B. Provisions and Administration

Teachers' Retirement System

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

Employees' Retirement System

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Funding Policies

Plan members who joined the systems before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For the ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.29% of covered payroll for the TRS' fiscal year ended June 30, 2023. The District's average contribution rate was 12.09% of covered payroll for the ERS' fiscal year ended March 31, 2024.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2024 was \$1,467,326 for TRS at the contribution rate of 9.76% and \$326,531 for ERS at an average contribution rate of 10.31%.

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of June 30, 2023, for TRS and March 31, 2024 for ERS. The total pension liability used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and the ERS in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
District's proportionate share of the net pension liability	\$ (909,130)	\$ (943,894)
District's portion of the Plan's net pension liability	0.079498%	0.0064106%
Change in proportion since the prior measurement date	(0.001052)	(0.0003795)

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR

NOTES TO FINANCIAL STATEMENTS

(Continued)

For the year ended June 30, 2024, the District recognized a pension expense (credit) of \$2,655,602 for TRS and \$443,067 for ERS. At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	\$ 2,204,398	\$ 304,028	\$ 5,448	\$ 25,738
Changes of assumptions	1,957,329	356,865	426,589	
Net difference between projected and actual earnings on pension plan investments	464,729			461,087
Changes in proportion and differences between the District's contributions and proportionate share of contributions	165,430	121,978	4,945	41,285
District contributions subsequent to the measurement date	1,467,326	129,001		
Total	<u>\$ 6,259,212</u>	<u>\$ 911,872</u>	<u>\$ 436,982</u>	<u>\$ 528,110</u>

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	TRS	ERS
2025	\$ 412,056	\$ (142,519)
2026	(433,623)	209,106
2027	3,692,757	284,694
2028	309,089	(96,520)
2029	232,725	
Thereafter	141,900	
	<u>\$ 4,354,904</u>	<u>\$ 254,761</u>

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:

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
Actuarial valuation date	June 30, 2022	April 1, 2023
Inflation	2.40%	2.90%
Salary increases	1.95-5.18%	4.40%
Investment rate of return (net of investment expense, including inflation)	6.95%	5.90%
Cost of living adjustments	1.30%	1.50%

For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021 for June 30, 2023 and 2022, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2020, used the same assumptions for the measurement of total pension liability.

For TRS, assumptions were computed by the TRS' Office of the Actuary and adopted by the TRS' Retirement Board in October 2021. The assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS' annual Actuarial Valuation Report. For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	TRS		ERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		June 30, 2023		March 31, 2024
Asset class				
Domestic equity	33.0%	6.80%	32.0%	4.00%
International equity	15.0%	7.60%	15.0%	6.65%
Global equity	4.0%	7.20%		
Real estate equity	11.0%	6.30%	9.0%	4.60%
Private equity	9.0%	10.10%	10.0%	7.25%
Alternative investments			10.0%	5.25-5.79%
Domestic fixed income	16.0%	2.20%		
Global bonds	2.0%	1.60%		
High-yield bonds	1.0%	4.40%		
Fixed income			23.0%	1.50%
Private debt	2.0%	6.00%		
Real estate debt	6.0%	3.20%		
Cash equivalents	1.0%	0.30%		
Cash			1.0%	0.25%
	<u>100.0%</u>		<u>100.0%</u>	

Discount Rate

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

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

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
TRIS			
District's proportionate share of the net pension asset/(liability)	<u>\$ (13,846,508)</u>	<u>\$ (909,130)</u>	<u>\$ 9,971,764</u>
	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
District's proportionate share of the net pension asset/(liability)	<u>\$ (2,967,699)</u>	<u>\$ (943,894)</u>	<u>\$ 746,403</u>

Pension Plan Fiduciary Net Position

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

	TRIS	ERS
	<i>(Dollars in Thousands)</i>	
Measurement date	June 30, 2023	March 31, 2024
Employers' total pension liability	\$ (138,365,122)	\$ (240,696,851)
Plan fiduciary net position	<u>137,221,537</u>	<u>225,972,801</u>
Employers' net pension liability	<u>\$ (1,143,585)</u>	<u>\$ (14,724,050)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	99.17%	93.88%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024, are paid to the system in September, October, and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024, represent employer and employee contributions for the fiscal year ended June 30, 2024, based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS. Accrued retirement contributions as of June 30, 2024 amounted to \$1,467,326 of employer contributions and \$169,344 of employee contributions.

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$129,001 of employer contributions. Employee contributions are remitted monthly.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

13. PENSION PLANS - OTHER

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements, however, the District made no contributions during the year. Contributions made by the employees for the year ended June 30, 2024, totaled \$866,282.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District's contributions to the plan were \$31,262. The amount deferred by eligible employees for the year ended June 30, 2024 totaled \$28,800.

14. POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At July 1, 2022 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>141</u>
	<u><u>249</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$35,606,840 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Inflation	2.40%	
Discount rate	3.93%	
Healthcare cost trend rates	5.10%	decreasing to an ultimate rate of 4.10% over 55 years
Retirees' share of benefit-related costs	50-100%	of projected health insurance premiums for retirees

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

Mortality rates were based on PubT-2010 Headcount-Weighted Mortality Table for teaching positions and PubG-2010 Headcount-Weighted Mortality Table for non-teaching positions, both generationally projected using the MP-2019 Ultimate Scale.

The plan does not have credible data on which to perform an experience study. As a result, a full actuarial study is not applicable.

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 35,357,023</u>
Changes for the year	
Service cost	1,298,340
Interest on total OPEB liability	1,324,401
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(1,625,428)
Benefit payments	<u>(747,496)</u>
	<u>249,817</u>
Balance at June 30, 2024	<u><u>\$ 35,606,840</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

OPEB	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB liability	<u>\$ (41,919,511)</u>	<u>\$ (35,606,840)</u>	<u>\$ (30,555,776)</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.10% decreasing to 3.10%) or 1 percentage point higher (6.10% decreasing to 5.10%) than the current healthcare cost trend rate:

	1% Decrease 4.10% decreasing to 3.10%	Healthcare Cost Trend Rates 5.10% decreasing to 4.10%	1% Increase 6.10% decreasing to 5.10%
OPEB			
Total OPEB liability	<u>\$ (29,315,193)</u>	<u>\$ (35,606,840)</u>	<u>\$ (43,825,357)</u>

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,363,491. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 4,632,575
Changes of assumptions or other inputs	<u>8,505,140</u>	<u>8,138,419</u>
Total	<u>\$ 8,505,140</u>	<u>\$ 12,770,994</u>

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

Year Ending June 30,	Amount
2025	\$ (1,259,250)
2026	(1,259,250)
2027	(826,690)
2028	(721,254)
2029	(349,247)
Thereafter	<u>149,837</u>
	<u>\$ (4,265,854)</u>

15. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources, at June 30, 2024, consists of accounts receivable and amounts due from the Dormitory Authority of the State of New York, respectively. At

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

June 30, 2024, unavailable revenues in the general fund and capital projects fund were \$1,535 and \$677,007, respectively.

16. RISK MANAGEMENT

A. General Information

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

B. Public Entity Risk Pool

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool, for its 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 in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

The District participates in the Nassau County Schools Cooperative Workers Compensation Self-Insured Plan (the Workers' Compensation Plan), a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to administer claims, finance liability, and manage risks related to workers' compensation claims. The District pays an annual assessment determined by the Plan's Board of Trustees. In the event that the Plan has insufficient funds to meet its obligations, the Plan's Board of Trustees may issue supplemental assessments to the Plan's members. Plan members who withdraw or are terminated from the Plan's membership will assume responsibilities for all open and unpaid claims associated with them. As of June 30, 2024, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was \$21,208,123 at a 2.00% discount rate. The Workers' Compensation Plan has assets of \$29,737,411 to pay these liabilities. At June 30, 2024, the District's open claims, discounted at 2.00%, were \$343,360.

17. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$900,000 has been appropriated to reduce taxes for the year ending June 30, 2025.

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

18. RESTRICTED FOR CAPITAL RESERVE

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

Date Created	May 2018	May 2024	
Number of Years to Fund	10	10	
Maximum Funding	<u>\$ 2,000,000</u>	<u>\$ 5,000,000</u>	
			<u>Total</u>
General Fund			
Funding Provided	\$ 2,000,000	\$ 1,752,549	\$ 3,752,549
Interest Earnings	164,276		164,276
Use of Reserve	<u>(1,650,000)</u>		<u>(1,650,000)</u>
Total General Fund	<u>514,276</u>	<u>1,752,549</u>	<u>2,266,825</u>
Capital Projects Fund			
Funding Provided	1,650,000		1,650,000
Use of Reserve	<u>(36,592)</u>		<u>(36,592)</u>
Total Capital Projects Fund	<u>1,613,408</u>	<u>-</u>	<u>1,613,408</u>
Balance as of June 30, 2024	<u>\$ 2,127,684</u>	<u>\$ 1,752,549</u>	<u>\$ 3,880,233</u>

19. TAX ABATEMENTS

The Nassau County Industrial Development Agency and the Town of Hempstead Industrial Development Agency enter into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced \$824,696. The District received payments totaling \$273,806.

In addition, the District recognized \$388,861 in LIPA PILOT, which is included in other tax items revenue; however, these payments are not the result of a tax abatement.

20. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as assigned fund balance. At June 30, 2024, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance:	
General Fund	
General Support	\$ 213,789
Instruction	554
	<u>214,343</u>
Capital Projects Fund	
Capital projects	<u>82,287</u>
	<u>\$ 296,630</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Grants

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

C. Litigation

The District is not aware of any material, pending, or threatened litigation claims against the District. The District is also unaware of any unasserted claims or assessments that would require financial statement disclosure.

21. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified, as of October 9, 2024 that would require adjustment of or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	\$ 22,604,855	\$ 21,461,177	\$ 21,483,475	\$ 22,298
Other tax items		1,143,678	1,825,859	682,181
Charges for services			233,134	233,134
Use of money and property	120,000	120,000	500,787	380,787
Sale of property and compensation for loss			2,920	2,920
Miscellaneous	1,005,722	1,005,722	221,234	(784,488)
Total Local Sources	23,730,577	23,730,577	24,267,409	536,832
State Sources	12,388,632	12,388,632	12,724,579	335,947
Medicaid Reimbursement			110,084	110,084
Total Revenues	36,119,209	36,119,209	37,102,072	\$ 982,863
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	900,000	900,000		
Prior Year's Encumbrances	44,146	44,146		
Appropriated Reserves		1,681,262		
Total Appropriated Fund Balance	944,146	2,625,408		
Total Revenues and Appropriated Fund Balance	\$ 37,063,355	\$ 38,744,617		

Note to Required Supplementary Information

Budget Basis of Accounting

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 46,110	\$ 78,637	\$ 74,606	\$	\$ 4,031
Central administration	383,688	381,338	378,999		2,339
Finance	663,671	665,762	613,839	43,375	8,548
Staff	159,000	249,663	227,675		21,988
Central services	1,957,327	2,331,858	2,041,931	170,414	119,513
Special items	355,016	777,916	774,534		3,382
Total General Support	3,564,812	4,485,174	4,111,584	213,789	159,801
Instruction					
Administration & improvement	1,352,511	1,336,205	1,307,965		28,240
Teaching - regular school	11,053,604	9,994,389	9,786,119		208,270
Programs for students with disabilities	8,334,169	9,145,167	8,254,123		891,044
Teaching - special schools	51,417	63,417	62,737	554	126
Instructional media	988,189	1,024,046	1,017,530		6,516
Pupil services	1,126,070	1,209,890	1,185,885		24,005
Total Instruction	22,905,960	22,773,114	21,614,359	554	1,158,201
Pupil Transportation	1,708,800	2,054,202	2,034,888		19,314
Community Services	1,200	200			200
Employee Benefits	8,437,106	7,671,278	6,881,446		789,832
Debt Service					
Principal	319,928	344,347	344,347		-
Interest	75,549	75,809	75,808		1
Total Debt Service	395,477	420,156	420,155	-	1
Total Expenditures	37,013,355	37,404,124	35,062,432	214,343	2,127,349
OTHER FINANCING USES					
Operating Transfers Out	50,000	1,340,493	1,333,113		7,380
Total Expenditures and Other Uses	\$ 37,063,355	\$ 38,744,617	36,395,545	\$ 214,343	\$ 2,134,729
Net Change in Fund Balance			706,527		
Fund Balances - Beginning of Year			10,792,879		
Fund Balances - End of Year			\$ 11,499,406		

Note to Required Supplementary Information

Budget Basis of Accounting

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)
Last Ten Fiscal Years

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.079498%	0.080550%	0.081754%	0.084682%	0.084502%	0.084483%	0.084530%	0.085757%	0.093054%	0.095985%
District's proportionate share of the net pension asset/(liability)	\$ (909,130)	\$ (1,545,674)	\$ 14,167,178	\$ (2,339,982)	\$ 2,195,373	\$ 1,527,678	\$ 642,512	\$ (918,498)	\$ 9,665,331	\$ 10,692,153
District's covered payroll	\$ 14,677,131	\$ 14,269,712	\$ 13,876,269	\$ 14,373,151	\$ 14,104,793	\$ 13,761,359	\$ 13,785,097	\$ 13,768,416	\$ 14,523,166	\$ 14,438,102
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.19 %	10.83 %	102.10 %	16.28 %	15.56 %	11.10 %	4.66 %	6.67 %	66.55 %	74.06 %
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount rate	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0064106%	0.0067901%	0.0068928%	0.0061390%	0.0065320%	0.0066104%	0.0061864%	0.0066236%	0.0066675%	0.0069927%
District's proportionate share of the net pension asset/(liability)	\$ (943,894)	\$ (1,456,081)	\$ 563,462	\$ (6,113)	\$ (1,729,707)	\$ (468,364)	\$ (199,662)	\$ (622,371)	\$ (1,070,156)	\$ (236,229)
District's covered payroll	\$ 2,545,996	\$ 2,458,055	\$ 2,181,207	\$ 2,227,006	\$ 2,126,380	\$ 2,174,021	\$ 2,009,020	\$ 2,131,030	\$ 2,014,221	\$ 2,098,909
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	37.07 %	59.24 %	25.83 %	0.27 %	81.35 %	21.54 %	9.94 %	29.21 %	53.13 %	11.25 %
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Discount rate	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of District Pension Contributions
Last Ten Fiscal Years

	<i>Teachers' Retirement System</i>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,467,326	\$ 1,510,277	\$ 1,398,435	\$ 1,322,667	\$ 1,273,461	\$ 1,515,030	\$ 1,354,075	\$ 1,572,375	\$ 1,784,561	\$ 2,421,277
Contributions in relation to the contractually required contribution	<u>1,467,326</u>	<u>1,510,277</u>	<u>1,398,435</u>	<u>1,322,667</u>	<u>1,273,461</u>	<u>1,515,030</u>	<u>1,354,075</u>	<u>1,572,375</u>	<u>1,784,561</u>	<u>2,421,277</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,034,078	\$ 14,677,131	\$ 14,269,712	\$ 13,876,269	\$ 14,373,151	\$ 14,104,793	\$ 13,761,359	\$ 13,785,097	\$ 13,768,416	\$ 14,523,166
Contributions as a percentage of covered payroll	10%	10%	10%	10%	9%	11%	10%	11%	13%	17%
	<i>Employees' Retirement System</i>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 326,531	\$ 285,984	\$ 321,223	\$ 317,646	\$ 305,256	\$ 300,437	\$ 285,922	\$ 300,990	\$ 331,920	\$ 373,403
Contributions in relation to the contractually required contribution	<u>326,531</u>	<u>285,984</u>	<u>321,223</u>	<u>317,646</u>	<u>305,256</u>	<u>300,437</u>	<u>285,922</u>	<u>300,990</u>	<u>331,920</u>	<u>373,403</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,166,531	\$ 3,083,609	\$ 2,667,969	\$ 2,214,221	\$ 2,235,184	\$ 2,147,305	\$ 2,123,555	\$ 2,133,513	\$ 2,043,397	\$ 2,058,202
Contributions as a percentage of covered payroll	10%	9%	12%	14%	14%	14%	13%	14%	16%	18%

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 1,298,340	\$ 991,580	\$ 1,519,614	\$ 1,281,435	\$ 1,082,730	\$ 1,327,312	\$ 1,716,671
Interest on total OPEB liability	1,324,401	1,089,216	811,960	783,028	975,304	1,110,298	1,055,431
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(1,548,078)	-	(4,025,910)	-	(4,513,435)	(158,849)
Changes of assumptions or other inputs	(1,625,428)	5,404,154	(7,941,683)	4,529,174	5,854,994	(6,380,015)	-
Benefit payments	<u>(747,496)</u>	<u>(708,001)</u>	<u>(662,162)</u>	<u>(630,516)</u>	<u>(461,816)</u>	<u>(426,472)</u>	<u>(363,942)</u>
Net change in total OPEB liability	249,817	5,228,871	(6,272,271)	1,937,211	7,451,212	(8,882,312)	2,249,311
Total OPEB liability, beginning	<u>35,357,023</u>	<u>30,128,152</u>	<u>36,400,423</u>	<u>34,463,212</u>	<u>27,012,000</u>	<u>35,894,312</u>	<u>33,645,001</u>
Total OPEB liability, ending	<u>\$ 35,606,840</u>	<u>\$ 35,357,023</u>	<u>\$ 30,128,152</u>	<u>\$ 36,400,423</u>	<u>\$ 34,463,212</u>	<u>\$ 27,012,000</u>	<u>\$ 35,894,312</u>
Covered employee payroll	\$ 15,521,245	\$ 15,521,245	\$ 15,164,119	\$ 15,164,119	\$ 15,176,412	\$ 15,176,412	\$ 17,210,217
Total OPEB liability as a percentage of covered employee payroll	229.41%	227.80%	198.68%	240.04%	227.08%	177.99%	208.56%
Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	5.1% to 4.1% over 55 years	5.1% to 4.1% over 55 years	5.3% to 4.1% over 55 years	5.3% to 4.1% over 55 years	6.1% to 4.1% over 57 years	6.1% to 4.1% over 57 years	7.5% to 4.5% over 7 years

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

Note to Required Supplementary Information

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 37,019,209
Additions:	
Prior year's encumbrances	<u>44,146</u>
Original Budget	37,063,355
Budget revisions	<u>1,681,262</u>
Final Budget	<u><u>\$ 38,744,617</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	<u><u>\$ 39,282,476</u></u>
Maximum allowed (4% of 2024-2025 budget)	<u><u>\$ 1,571,299</u></u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 1,114,343
Unassigned fund balance	<u>1,571,302</u>
	\$ 2,685,645
Less:	
Appropriated fund balance	900,000
Encumbrances	<u>214,343</u>
Total adjustments	<u>1,114,343</u>
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:	<u><u>\$ 1,571,302</u></u>
Actual Percentage	4.00%

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of Project Expenditures and Financing Resources - Capital Projects Fund
For the Year Ended June 30, 2024

PROJECT TITLE	Budget	Budget	Expenditures			Unexpended Balance	Proceeds of Debt	Methods of Financing			Fund Balance June 30, 2024
	June 30, 2023	June 30, 2024	Prior Years	Current Year	Total			State Aid	Local Sources	Total	
Field Renovations - RWC/WLB	\$ 522,666	\$ 549,066	\$ 271,554	\$ 275,715	\$ 547,269	\$ 1,797	\$	\$ 363,000	\$ 186,066	\$ 549,066	\$ 1,797
Turf Replacement & Irrigation Installation	171,950	171,950	170,736		170,736	1,214		125,000	46,950	171,950	1,214
District-Wide Door Replacement	577,160	574,455	568,763		568,763	5,692		125,000	449,455	574,455	5,692
District-Wide Security Cameras & LED Signs	125,000	125,000	73,618		73,618	51,382		125,000		125,000	51,382
Brooklyn Avenue HVAC Upgrades	92,350	95,055	21,642	1,274	22,916	72,139			95,055	95,055	72,139
District-Wide Flooring Replacement	125,000	98,600	6,187	87,882	94,069	4,531			98,600	98,600	4,531
Smart School Bond Act	30,539	30,539	24,498		24,498	6,041		30,539		30,539	6,041
Smart School Bond Act - BOCES	26,975	26,975	26,975		26,975	-		26,975		26,975	-
Brooklyn Avenue Flooring Replacement - Capital Reserve	100,000	100,000		19,903	19,903	80,097			100,000	100,000	80,097
Roofing Project - Capital Reserve	325,000	325,000		16,689	16,689	308,311			325,000	325,000	308,311
A/C & Electrical - Capital Reserve 2023-2024		425,000			-	425,000			425,000	425,000	425,000
Door & Fire Alarm - Capital Reserve 2023-2024		800,000			-	800,000			800,000	800,000	800,000
Totals	<u>\$ 2,096,640</u>	<u>\$ 3,321,640</u>	<u>\$ 1,163,973</u>	<u>\$ 401,463</u>	<u>\$ 1,565,436</u>	<u>\$ 1,756,204</u>	<u>\$ -</u>	<u>\$ 795,514</u>	<u>\$ 2,526,126</u>	<u>\$ 3,321,640</u>	<u>\$ 1,756,204</u>
Less: DASNY grant revenue not yet recognized											<u>(744,041)</u>
											<u>\$ 1,012,163</u>

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of Net Investment in Capital Assets
June 30, 2024

Capital assets, net	<u>\$ 12,158,276</u>
Deduct:	
Short-term portion of installment purchase debt	21,581
Long-term portion of installment purchase debt	28,134
Short-term portion of energy performance contract	162,920
Long-term portion of energy performance contract	1,758,521
Short-term portion of lease liabilities	2,919
Long-term portion of lease liabilities	<u>4,535</u>
	<u>1,978,610</u>
Net Investment in Capital Assets	<u><u>\$ 10,179,666</u></u>

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
Valley Stream Union Free School District #24

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 Valley Stream Union Free School District #24 (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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Purpose of This Report

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

A handwritten signature in dark ink that reads "R.S. Abrams & Co., LLP". The signature is written in a cursive, flowing style.

R.S. Abrams & Co., LLP
Islandia, New York
October 9, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Education
Valley Stream Union Free School District #24

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Valley Stream Union Free School District #24's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

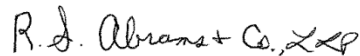
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "R.S. Abrams & Co., LLP". The signature is written in a cursive, flowing style.

R.S. Abrams & Co., LLP
Islandia, NY
October 9, 2024

VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Agency or Pass-through Number	Program Expenditures	Total Expenditures by ALN
<u>U.S. Department of Education</u>				
<u>Passed-through NYS Education Department:</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0433	\$ 355,194	
COVID-19 - Special Education - Grants to States (IDEA, Part B)	84.027X	5532-22-0433	12,450	\$ 367,644
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0433	\$ 16,972	16,972
Total Special Education Cluster			\$ 384,616	
Title I Grants to Local Educational Agencies (LEAs)	84.010	0011-24-2144	\$ 86,011	
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-24-1565	151,769	237,780
Supporting Effective Instruction State Grants	84.367	0147-24-1565	\$ 10,755	10,755
English Language Acquisition State Grants	84.365	0293-23-1565	\$ 8,648	
English Language Acquisition State Grants	84.365	0293-24-1565	10,796	19,444
Student Support and Academic Enrichment Program	84.424	0204-24-1565	\$ 4,486	4,486
Education Stabilization Fund				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-1565	\$ 5,881	5,881
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5870-23-9294	\$ 28,844	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5870-24-9294	298,870	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-1565	419,363	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5883-21-1565	21,781	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5884-21-1565	289,201	1,058,059
Total Education Stabilization Fund			\$ 1,063,940	
Total U.S. Department of Education				\$ 1,721,021
<u>U.S. Department of Agriculture</u>				
<u>Passed-through NYS Education Department:</u>				
School Breakfast Program (Cash Assistance)	10.553	N/A	\$ 24,475	\$ 24,475
National School Lunch Program (Cash Assistance)	10.555	N/A	\$ 195,430	195,430
Total Child Nutrition Cluster			\$ 219,905	
Total U.S. Department of Agriculture				\$ 219,905
Total Federal Awards Expended				\$ 1,940,926

VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Valley Stream Union Free School District #24 (the "District") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if applicable, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. Pass-through entity identifying numbers are presented where available.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

3. INDIRECT COST RATE:

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS:

No amounts were provided to subrecipients.

5. OTHER DISCLOSURES:

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

PART I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion(s) issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____yes x no

Significant deficiencies identified that are not
considered to be material weakness(es)? _____yes x none reported

Noncompliance material to financial statements noted? _____yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____yes x no

Significant deficiencies identified that are not
considered to be material weakness(es)? _____yes x none reported

Type of auditor's opinion(s) issued on compliance for
major programs: *Unmodified*

Any audit findings disclosed that are required to be reported
in accordance with section 2 CFR 200.516 (a)? _____yes x no

Identification of major programs:

<u>Name of federal program</u>	<u>Assistance Listing Number(s)</u>
COVID-19 - Education Stabilization Fund	84.425D and 84.425U

Dollar threshold used to distinguish between Type A and Type B
Programs: \$750,000

Auditee qualified as low risk? _____x_____yes _____no

**VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

PART II FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings or questioned costs to be reported.

VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

FINDING # 2023-001:

According to 2 CFR section 200.313(d)(1), detailed property records must be maintained for equipment acquired under a federal grant award. Records should include a description of the property, a serial number or identification number, the source of funding (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and ultimate disposition data. The District's capital asset records for some of the assets acquired with federal grant funding during the year were added to the District's capital asset records and capitalized for incorrect amounts. In addition, the District's practices surrounding the inventorying and capitalization of capital assets did not appear to align with the associated Board of Education policy on capital assets. We recommended that the District implement a system of communication and a review process surrounding capital asset additions to ensure the completeness and accuracy of capital asset records. In addition, we recommended that the District update their Board of Education policy on capital assets to expand on the capitalization of like-kind capital assets in order to properly align with their current practices.

STATUS:

Implemented.

**VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024**

A corrective action plan for the year ended June 30, 2024 is not required.