VALLEY STREAM UNION FREE SCHOOL DISTRICT
TWENTY-FOUR

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORTS

June 30, 2025

VALLEY STREAM UNION FREE SCHOOL DISTRICT #24
Valley Stream, New York

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Required Supplementary Information	
Management's Discussion and Analysis (MD&A)	4
Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the District-wide Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-wide Statement of Activities	23
Statement of Fiduciary Net Position – Fiduciary Fund	24
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	24
Notes to Financial Statements	25
Required Supplementary Information Other than MD&A:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	55
Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	57
Schedule of District Pension Contributions	58
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	59
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	61
Other Information:	
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund	62
Schedule of Project Expenditures and Financing Resources – Capital Projects Fund	63
Schedule of Net Investment in Capital Assets	64
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*	65

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

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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, the aggregate remaining fund information, and the fiduciary fund of the Valley Stream Union Free School District #24 (the "District") as of and for the year ended June 30, 2025, 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, the aggregate remaining fund information, and the fiduciary fund of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension asset/(liability), 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 55 through 59, 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 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, 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 8, 2025

The Valley Stream Union Free School District Twenty-Four's ("the 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, 2025 in comparison with the year ended June 30, 2024, 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 2025 are as follows:

- The District's total net position was a deficit of $12,784,497 in the district-wide financial statements at June 30, 2025, compared to a deficit of $13,779,251 at June 30, 2024. The deficit decreased by $994,754 from the prior year due to an excess of revenues over expenses using the economic resources measurement focus and the accrual basis of accounting.

- For the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this statement resulted in the increase in compensated absences and decrease in total net position by $101,385.

- The District's expenses for the year, as reflected in the district-wide financial statements, totaled $40,264,849. Of this amount, $2,911,103 was offset by program charges for services, operating grants and contributions, and capital grants and contributions. General revenues of $38,449,885 amount to 92.96% of total revenues, and were adequate to cover the balance of program expenses.

- The District's general fund fund balance, as reflected in the fund financial statements was $11,593,600 at June 30, 2025. This balance represents a $94,194 increase (0.82%) 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:

  - Nonspendable fund balance increased by $78,233, which represents the long-term loan receivable from the nonmajor funds.

  - Restricted fund balances decreased by $206,009 due to the use of reserves exceeding the funding and interest allocated to the reserves.

  - Assigned fund balance increased $143,573, as the District increased the fund balance appropriated to fund the 2026 budget and the assignment of more encumbrances at the end of the current year.

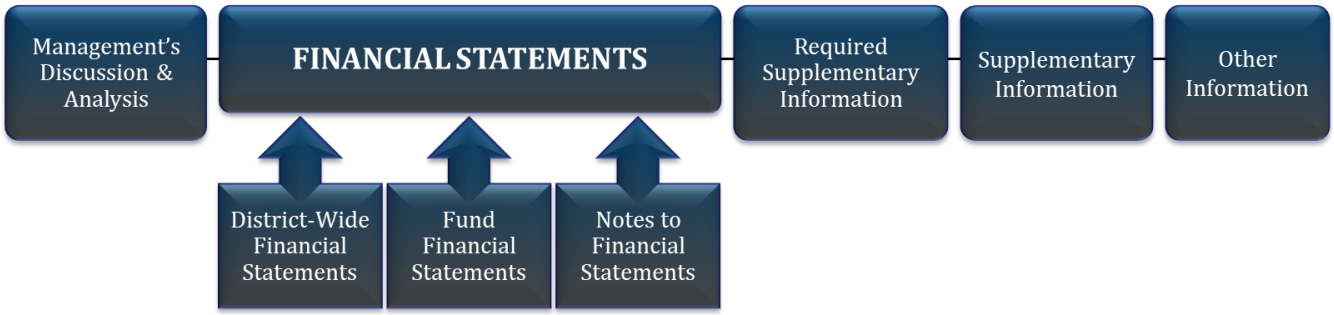
  - Unassigned fund balance increased by $78,397 to $1,649,699.

- On May 20, 2025, the voters of the District approved the use of the capital reserve in the amount of $850,000 to fund district-wide door control access and alarms, district wide roofing replacement and three classroom renovation projects. The District transferred the funds during 2024 – 2025 to the capital projects fund.

- The District's 2026 property tax levy of $23,489,677 was a 2.18% increase over the 2025 property tax levy, which was less than the allowable tax cap of 2.19%.

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 (RSI), 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.

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. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, special aid fund, and capital projects fund, since the District has elected to report them as major funds. Combining information for the nonmajor funds can be found elsewhere in this report.

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

Fiduciary Fund

The District reports its fiduciary activities in the fiduciary fund – custodial fund. This fund reports real property taxes 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.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased by $1,096,139 between fiscal year 2025 and 2024. The increase is due to revenues in excess of expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the District's Statements of Net Position follows:

	2025	2024	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 17,989,634	$ 17,259,883	$ 729,751	4.23 %
Capital Assets, Net	11,878,272	12,158,276	(280,004)	(2.30)%
Net Pension Assets - Proportionate Share	2,349,267	-	2,349,267	N/A
Total Assets	32,217,173	29,418,159	2,799,014	9.51 %
Deferred Outflows of Resources	14,439,213	15,676,224	(1,237,011)	(7.89)%
Liabilities				
Current and Other Liabilities	4,002,192	4,121,695	(119,503)	(2.90)%
Long-Term Liabilities	3,633,801	3,555,989	77,812	2.19 %
Total OPEB Liability	32,448,053	35,606,840	(3,158,787)	(8.87)%
Net Pension Liabilities - Proportionate Share	1,119,638	1,853,024	(733,386)	(39.58)%
Total Liabilities	41,203,684	45,137,548	(3,933,864)	(8.72)%
Deferred Inflows of Resources	18,237,199	13,736,086	4,501,113	32.77 %
Net Position (Deficit)				
Net Investment in Capital Assets	9,874,407	10,179,666	(305,259)	(3.00)%
Restricted	11,012,166	10,428,199	583,967	5.60 %
Unrestricted (Deficit)	(33,671,070)	(34,387,116)	716,046	(2.08)%
Total Net Position (Deficit)	$ (12,784,497)	$ (13,779,251)	$ 994,754	(7.22)%

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

The decrease in capital assets, net is due to depreciation expense in excess of capital asset additions. The "Capital Assets" Note provides additional information.

Net pension assets – proportionate share represents the District's share of the New York State Teachers' Retirement System's (TRS) net pension assets, at the measurement date of the respective year. In the current year, the District's proportionate share switched from a liability to an asset. This change was driven by strong market performance. The "Pension Plans – New York State" Note 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 decrease in current and other liabilities is mainly due to not having amounts due to the fiduciary fund in the current year.

The increase in long-term liabilities is primarily the result of an increase in the compensated absences payable, net of the repayment of the current maturity of the general long-term indebtedness. In addition, the long-term liabilities reflect a $101,385 increase in the compensated absences liability as of July 1, 2024, as a result of the implementation of GASB Statement No 101, *Compensated Absences*.

Total OPEB liability decreased, based on the actuarial valuation of the plan. The "Postemployment Healthcare Benefits" Note provides additional information.

Net pension liability – proportionate share represents the District's share of the New York State and Local Employees' Retirement System's (ERS) net pension liability at the measurement date. The net change in the net pension liability – proportionate share is the result of an increase in the proportionate share for the ERS, which was due to the net result of several factors, including increases in benefits earned by active employees, cost-of-living adjustments, and an increase in the number of retirees, resulting in larger benefit payments, offset by the switch in the TRS net pension liability – proportionate share to an asset. The "Pension Plans – New York State" Note 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 related outstanding debt, as well as capital related accounts payable. 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 over the prior year, mainly due to interest earnings and funding transfers into the 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. The unrestricted amount also reflects a decrease of $101,385 as of July 1, 2024, as a result of the change in the compensated absences liability due to the implementation of GASB Statement No. 101, *Compensated Absences*.

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, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	$ 263,637	$ 247,986	$ 15,651	6.31 %
Operating Grants & Contributions	2,147,635	2,568,265	(420,630)	(16.38)%
Capital Grants	499,831	251,113	248,718	99.05 %
General Revenues				
Property Taxes and STAR	23,053,978	22,627,153	426,825	1.89 %
State Sources	13,805,751	12,724,579	1,081,172	8.50 %
Other	1,590,156	1,517,752	72,404	4.77 %
Total Revenues	41,360,988	39,936,848	1,424,140	3.57 %
Expenses				
General Support	4,856,975	5,347,620	(490,645)	(9.18)%
Instruction	32,551,055	32,310,129	240,926	0.75 %
Pupil Transportation	2,302,836	2,254,192	48,644	2.16 %
Debt Service - Interest	66,420	73,969	(7,549)	(10.21)%
Food Service Program	487,563	433,463	54,100	12.48 %
Total Expenses	40,264,849	40,419,373	(154,524)	(0.38)%
Change in Net Position	1,096,139	$ (482,525)	$ 1,578,664	327.17 %
Net Position (Deficit) - Beginning of Year, as Previously Reported	(13,779,251)			
Change in Accounting Principle	(101,385)			
Net Position (Deficit) - Beginning of Year, as Restated	(13,880,636)			
Net Position (Deficit) - End of Year	$ (12,784,497)			

The District's net position increased by $1,096,139 and decreased by $482,525 for the years ended June 30, 2025 and 2024, respectively.

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

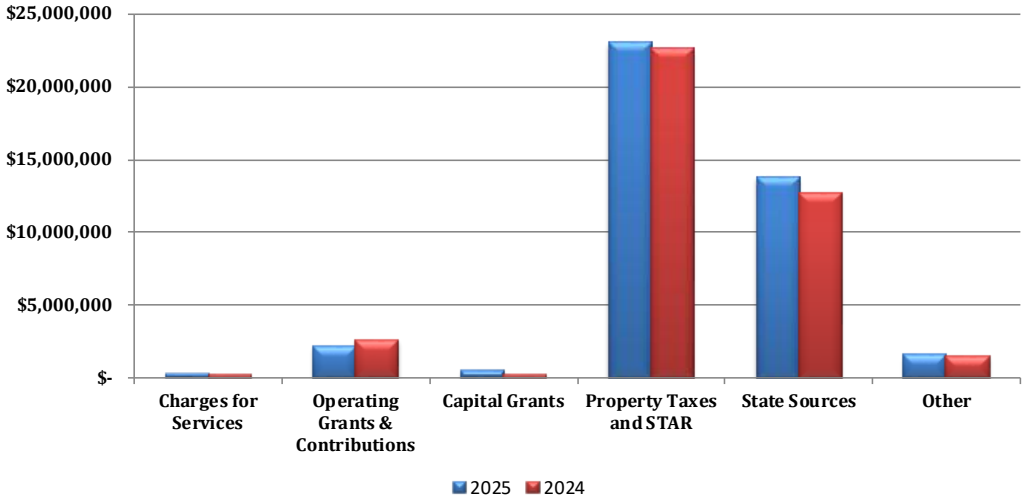
- The increase in state sources is chiefly due to the District receiving more in basic state aid, excess cost aid, and lottery aid.
- Real property taxes and STAR were increased to fund additional appropriations in the voter-approved 2024 - 2025 budget.
- Operating grants and contributions decreased mainly due to the District incurring less 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 decreased based on the impact of allocations of the net change in actuarially determined pension expenses for TRS and ERS, and OPEB costs.

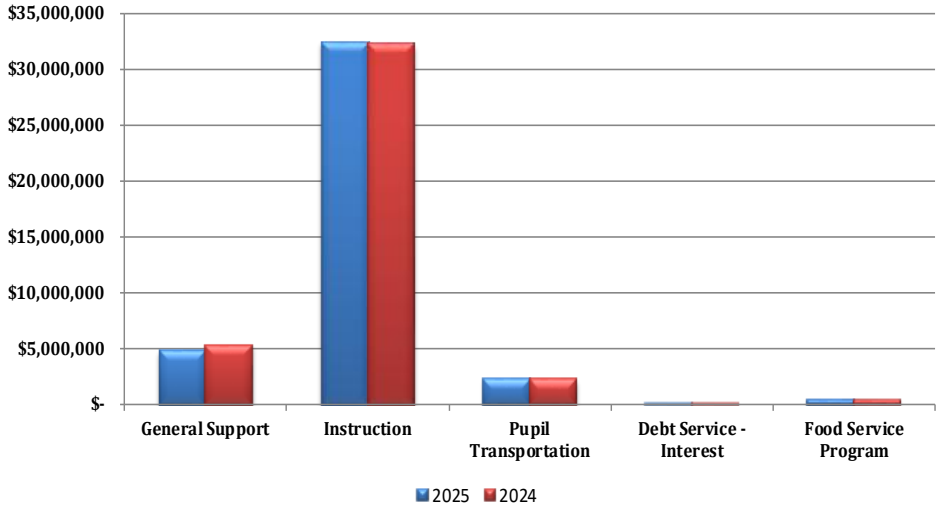
As indicated on the graphs that follow, real property taxes and STAR is the largest component of revenues recognized (i.e., 55.7% and 56.7% of the total for the years 2025 and 2024, respectively). Instruction expenses is the largest category of expenses incurred (i.e., 80.8% and 79.9% of the total for the years 2025 and 2024, respectively).

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
2025	0.6%	5.2%	1.2%	55.7%	33.4%	3.9%
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
2025	12.1%	80.8%	5.7%	0.2%	1.2%
2024	13.2%	79.9%	5.6%	0.2%	1.1%

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2025, the District's governmental funds reported a combined fund balance of $12,818,429, which is an increase of $350,233 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:

	2025	2024	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Long-term loan receivable	$ 78,233	$ -	$ 78,233	N/A
Restricted				
Unemployment insurance	26,114	25,076	1,038	4.14 %
Retirement contribution:				
Teachers' retirement system	1,222,959	1,174,359	48,600	4.14 %
Employees' retirement system	4,166,474	4,000,899	165,575	4.14 %
Employee benefit accrued liability	1,245,476	1,346,602	(101,126)	(7.51)%
Capital	1,946,729	2,266,825	(320,096)	(14.12)%
Assigned				
Appropriated fund balance	1,000,000	900,000	100,000	11.11 %
Unappropriated fund balance	257,916	214,343	43,573	20.33 %
Unassigned: Fund balance	1,649,699	1,571,302	78,397	4.99 %
	11,593,600	11,499,406	94,194	0.82 %
Capital Projects Fund				
Restricted: Capital	2,403,476	1,613,408	790,068	48.97 %
Unassigned: Fund balance (deficit)	(1,101,352)	(601,245)	(500,107)	83.18 %
	1,302,124	1,012,163	289,961	28.65 %
School Food Service Fund				
Unassigned: Fund balance (deficit)	-	(44,403)	44,403	(100.00)%
Scholarships Fund				
Restricted: Scholarships	-	1,030	(1,030)	(100.00)%
Nonmajor Funds				
Restricted: Scholarships	938	-	938	N/A
Unassigned: Fund balance (deficit)	(78,233)	-	(78,233)	N/A
	(77,295)	-	(77,295)	N/A
Total Fund Balance	$ 12,818,429	$ 12,468,196	$ 350,233	2.81 %

A. General Fund

The general fund – fund balance is a net increase of $94,194. This resulted from revenues in excess of expenditures and other financing uses.

The following is a summary of the major changes that resulted in revenues increasing by $1,612,746 or 4.35% over the prior year.

	2025	2024	Increase (Decrease)	Percentage Change
Real Property Taxes and STAR	$ 23,053,978	$ 22,627,153	$ 426,825	1.89 %
Other Local Sources	1,811,868	1,640,256	171,612	10.46 %
State Sources	13,805,751	12,724,579	1,081,172	8.50 %
Medicaid Reimbursement	43,221	110,084	(66,863)	(60.74)%
	$ 38,714,818	$ 37,102,072	$ 1,612,746	4.35 %

- State sources increased mainly due to the District receiving more in basic state aid, excess cost aid, and lottery aid.
- Property taxes and STAR increased due to an increase in the tax levy in accordance with the 2024 - 2025 voter-approved budget.

The following is a summary of the major changes that resulted in expenditures and other financing uses increasing by $2,225,079 or 6.11% over the prior year:

	2025	2024	Increase (Decrease)	Percentage Change
General Support	$ 3,983,554	$ 4,111,584	$ (128,030)	(3.11)%
Instruction	23,686,025	21,614,359	2,071,666	9.58 %
Pupil Transportation	2,154,680	2,034,888	119,792	5.89 %
Employee Benefits	7,591,452	6,881,446	710,006	10.32 %
Debt Service	254,565	420,155	(165,590)	(39.41)%
Other Financing Uses	950,348	1,333,113	(382,765)	(28.71)%
	$ 38,620,624	$ 36,395,545	$ 2,225,079	6.11 %

- Instruction increased principally due to the growth in salaries and BOCES computer assisted instruction.
- Employee benefits increased mainly due to a rise in health insurance premiums, retirement system contributions, and employee accumulated leave payouts.
- Other financing uses decreased largely due to a prior year transfer from the general fund budgeted 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.

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

	Balance June 30, 2024	Use of Reserves	Interest	Funding	Balance June 30, 2025
Unemployment insurance	$ 25,076	$	$ 1,038	$	$ 26,114
Retirement contribution:					
TRS	1,174,359		48,600		1,222,959
ERS	4,000,899		165,575		4,166,474
Liability					
EBALR	1,346,602	(156,854)	55,728		1,245,476
Capital	2,266,825	(850,000)	93,811	436,093	1,946,729
	$ 8,813,761	$ (1,006,854)	$ 364,752	$ 436,093	$ 8,607,752

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

B. Special Aid Fund

Revenues and related expenditures decreased by $515,448 or 22.19% from the prior year. This is mainly due to the District receiving less federal grant revenues.

C. Capital Projects Fund

The capital projects fund – fund balance net increase is the result of general fund transfers from the capital reserve and proceeds of debt 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, 2024	Use of Reserve	Funding	Balance June 30, 2025
May 2018	$ 1,613,408	$ (59,932)	$ 850,000	$ 2,403,476

D. Reclassification of Major Funds to Nonmajor Funds

During the year ended June 30, 2025, the District reclassified the school food service and scholarship funds from major funds to nonmajor funds. This change is a voluntary presentation change made to improve the clarity of the financial statements and has no impact on the overall governmental fund balances. The funds were previously presented as major funds, but changes in financial activity during the current year now justify the nonmajor classification.

E. Nonmajor Funds

The net change in the remaining nonmajor funds – fund balance is a decrease of $33,922, compared to a decrease of $51,397 in 2024, as expenditures of $474,769 exceeded revenues and other financing sources of $440,847. Revenues and other financing sources increased $71,894 or 19.49% over the prior year. This increase was mainly due to an increase in state and federal revenues related to the child nutrition program.

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

	Balance June 30, 2024	Use of Reserves	Interest	Funding	Balance June 30, 2025
Scholarships	$ 1,030	$ (100)	$ 8	$	$ 938

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 Budget

The District's general fund adopted budget for the year ended June 30, 2025 was $39,282,476. This amount was increased by encumbrances carried forward from the prior year in the amount of $214,343, and budget revisions of $1,006,854, for a total final budget of $40,503,673. The budget revisions were for payments to retirees for unused accumulated leave funded by the employee benefit accrued 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 $22,989,192 in estimated property taxes and STAR.

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	$ 1,571,302
Revenues Over Budget	332,342
Expenditures, Other Financing Uses, and Encumbrances Under Budget	1,625,133
Net Change in Nonspendable Fund Balance	(78,233)
Allocation to Reserves	(800,845)
Appropriated to Fund the June 30, 2026 Budget	(1,000,000)
Closing, Unassigned Fund Balance	$ 1,649,699

Opening, Unassigned Fund Balance

The $1,571,302 shown in the table is the portion of the District's June 30, 2024 fund balance that was retained as unassigned.

Revenues Over Budget

The 2024-2025 final budget for revenues was $38,382,476. Actual revenues recognized for the year were $38,714,818. The excess of actual revenues over estimated or budgeted revenues was $332,342. This contributes directly to the change to the general fund unassigned fund balance from June 30, 2024 to June 30, 2025. 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 2024-2025 final budget for expenditures and other financing uses was $40,503,673. Actual expenditures and other financing uses as of June 30, 2025 were $38,620,624 and outstanding encumbrances were $257,916. Combined, the expenditures and other financing uses plus encumbrances for 2024-2025 were $38,878,540. The final budget variance was $1,625,133, which contributes directly to the change to the general fund unassigned fund balance from June 30, 2024 to June 30, 2025. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

Nonspendable fund balance consists of the long-term portion of loans receivable related to the nonmajor funds fund balance deficit. The increase in nonspendable fund balance reduces unassigned fund balance.

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.

Appropriated Fund Balance

The District has chosen to use $1,000,000 of the available June 30, 2025 unassigned fund balance to partially fund the 2025-2026 approved operating budget. As such, the June 30, 2025 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, 2025 was $1,649,699. This amount equals 4.0% of the 2025-2026 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, 2025, 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 $900,951 in excess of capital outlays and other additions of $620,947 for the year ended June 30, 2025. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Land	$ 155,300	$ 155,300	$ -
Construction in progress	239,335	153,577	85,758
Buildings and improvements	9,639,899	9,877,441	(237,542)
Furniture and equipment	1,792,968	1,962,388	(169,420)
Licensed vehicles	42,299	-	42,299
Leased equipment	8,471	9,570	(1,099)
Capital assets, net	$ 11,878,272	$ 12,158,276	$ (280,004)

B. Debt Administration

At June 30, 2025, the District had combined total debt of $1,838,684. The decreases in outstanding debt represent principal payments made throughout the year, while increase represents a new installment purchase agreement entered into by the District to purchase a Chevy cargo van. A summary of the outstanding debt at June 30, 2025 and 2024 is as follows:

Issue/ Commencement Date	Interest Rate	2025	2024	Increase (Decrease)
Installment Purchase Debt				
9/1/2021	0.00%	$ 28,134	$ 49,715	$ (21,581)
8/26/2024	3.60%	47,494		47,494
		$ 75,628	$ 49,715	$ 25,913
Energy Performance Contract Payable				
11/21/2018	3.56%	$ 1,758,521	$ 1,921,441	$ (162,920)
Lease Liabilities				
3/30/2023	2.82%	$ 4,535	$ 7,454	$ (2,919)

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. The compensated absences liability, at June 30, 2025, includes the effect of the implementation of GASB Statement No. 101. The net change in the net pension liabilities – proportionate share reflects the change in the TRS from a liability to an asset as previously discussed. A summary of the outstanding other long-term liabilities at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Compensated absences	$ 1,795,117	$ 1,577,379	$ 217,738
Total OPEB liability	32,448,053	35,606,840	(3,158,787)
Net pension liabilities - proportionate share	1,119,638	1,853,024	(733,386)
	$ 35,362,808	$ 39,037,243	$ (3,674,435)

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 20, 2025, for the year ending June 30, 2026 is $41,242,480. This is an increase of $1,960,004 or 4.99% over the previous year's budget.

The District budgeted revenues other than property taxes and STAR at a $1,359,519 increase over the prior year's estimate, which is principally due to an estimated increase in state aid. The District has decided to appropriate $1,000,000 of fund balance, which is a $100,000 increase over the previous year. A property tax increase of $500,485 (2.18%), levy to levy, was needed to meet the funding shortfall and cover the increase in appropriations.

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 significate 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 annual increase in the property tax levy of school districts to the lesser of 2% or the rate of inflation plus additional statutory adjustments to the tax levy limit. School districts may override the tax levy limit (tax cap) by presenting to the voters a budget that requires a tax levy that exceeds the statutory limit; however, that budget must be approved by at least 60% of the votes cast. Based on the law, the District's tax cap for 2025-2026 is 2.19%. The District's 2025-2026 property tax increase of 2.18% 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, 2025

ASSETS	
Cash and cash equivalents	
Unrestricted	$ 3,576,996
Restricted	11,012,166
Receivables	
Accounts receivable	295
Taxes receivable	489,765
Due from state and federal	2,566,219
Due from other governments	344,193
Capital assets:	
Not being depreciated	394,635
Being depreciated, net of accumulated depreciation	11,483,637
Net pension asset - proportionate share	2,349,267
Total Assets	32,217,173
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	6,427,837
Other postemployment benefits	8,011,376
Total Deferred Outflows of Resources	14,439,213
LIABILITIES	
Payables	
Accounts payable	662,781
Accrued liabilities	68,909
Due to other governments	1,105,237
Due to teachers' retirement system	1,820,912
Due to employees' retirement system	159,393
Compensated absences	130,958
Other liabilities	28,104
Unearned credits	
Collections in advance	25,898
Long-term liabilities	
Due and payable within one year	
Installment purchase debt	28,433
Energy performance contract payable	168,771
Lease liabilities	3,002
Compensated absences payable	89,756
Total other postemployment benefits liability	890,950
Due and payable after one year	
Installment purchase debt	47,195
Energy performance contract payable	1,589,750
Lease liabilities	1,533
Compensated absences payable	1,705,361
Total other postemployment benefits liability	31,557,103
Net pension liabilities - proportionate share	1,119,638
Total Liabilities	41,203,684
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,887,065
Other postemployment benefits	15,350,134
Total Deferred Inflows of Resources	18,237,199
NET POSITION (DEFICIT)	
Net investment in capital assets	9,874,407
Restricted:	
Unemployment insurance	26,114
Retirement contribution	
Teachers' retirement system	1,222,959
Employees' retirement system	4,166,474
Employee benefit accrued liability	1,245,476
Capital	4,350,205
Scholarships	938
	11,012,166
Unrestricted (Deficit)	(33,671,070)
Total Net Position (Deficit)	$ (12,784,497)

See Notes to Financial Statements

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
FUNCTIONS/PROGRAMS					
General support	$ 4,856,975	$	$	$	$ (4,856,975)
Instruction	32,551,055	263,637	1,717,027	499,831	(30,070,560)
Pupil transportation	2,302,836				(2,302,836)
Debt service - interest	66,420				(66,420)
Food service program	487,563		430,608		(56,955)
Total Functions and Programs	$ 40,264,849	$ 263,637	$ 2,147,635	$ 499,831	(37,353,746)
GENERAL REVENUES					
Real property taxes					22,138,987
Other tax items					1,623,293
Use of money and property					477,908
Sale of property and compensation for loss					1,062
Miscellaneous					359,663
State sources					13,805,751
Medicaid reimbursement					43,221
Total General Revenues					38,449,885
Change in Net Position					1,096,139
Total Net Position (Deficit) - Beginning of Year, as Previously Reported					(13,779,251)
Change in Accounting Principle					(101,385)
Total Net Position (Deficit) - Beginning of Year, as Restated					(13,880,636)
Total Net Position (Deficit) - End of Year					$ (12,784,497)

See Notes to Financial Statements

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Balance Sheet - Governmental Funds
June 30, 2025

	General	Special Aid	Capital Projects	Formerly Major Funds: School Food Service	Formerly Major Funds: Scholarships	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	$ 3,575,528	$ 770	$	$	$	$ 698	$ 3,576,996
Restricted	11,011,719		152			295	11,012,166
Receivables							
Accounts receivable	295						295
Taxes receivable	489,765						489,765
Due from other funds	1,153,506		1,467,242			643	2,621,391
Due from state and federal	272,415	1,058,155	1,176,839			58,810	2,566,219
Due from other governments	344,193						344,193
Total Assets	$ 16,847,421	$ 1,058,925	$ 2,644,233	$ -	$ -	$ 60,446	$ 20,611,025
LIABILITIES							
Payables							
Accounts payable	$ 465,752	$ 3,395	$ 165,181	$	$	$ 28,453	$ 662,781
Accrued liabilities	60,368	716					61,084
Due to other funds	1,483,097	1,054,814				83,480	2,621,391
Due to other governments	1,105,237						1,105,237
Due to teachers' retirement system	1,820,912						1,820,912
Due to employees' retirement system	159,393						159,393
Compensated absences payable	130,958						130,958
Other liabilities	28,104						28,104
Unearned credits							
Collections in advance			90			25,808	25,898
Total Liabilities	5,253,821	1,058,925	165,271	-	-	137,741	6,615,758
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues			1,176,838				1,176,838
FUND BALANCES							
Nonspendable:							
Long-term loan receivable	78,233						78,233
Restricted:							
Unemployment insurance	26,114						26,114
Retirement contribution:							
Teachers' retirement system	1,222,959						1,222,959
Employees' retirement system	4,166,474						4,166,474
Employee benefit accrued liability	1,245,476						1,245,476
Capital	1,946,729		2,403,476				4,350,205
Scholarships						938	938
Assigned:							
Appropriated fund balance	1,000,000						1,000,000
Unappropriated fund balance	257,916						257,916
Unassigned: Fund balance (deficit)	1,649,699		(1,101,352)			(78,233)	470,114
Total Fund Balances	11,593,600	-	1,302,124	-	-	(77,295)	12,818,429
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,847,421	$ 1,058,925	$ 2,644,233	$ -	$ -	$ 60,446	$ 20,611,025

See Notes to Financial Statements

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total Governmental Fund Balances		$ 12,818,429
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	$ 25,294,936	
Less: Accumulated depreciation/amortization	(13,416,664)	
		11,878,272
Proportionate share of long-term assets and liabilities, as well as deferred outflows and inflows associated with participation in the state retirement systems are not current financial resources or liabilities and are not reported in the funds.		
Deferred outflows of resources	6,427,837	
Net pension asset - teachers' retirement system	2,349,267	
Net pension liability - employees' retirement system	(1,119,638)	
Deferred inflows of resources	(2,887,065)	
		4,770,401
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	8,011,376	
Total other postemployment benefits liability	(32,448,053)	
Deferred inflows of resources	(15,350,134)	
		(39,786,811)
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.		1,176,838
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	(7,825)	
Installment purchase debt payable	(75,628)	
Energy performance contract payable	(1,758,521)	
Lease liabilities	(4,535)	
Compensated absences payable	(1,795,117)	
		(3,641,626)
Total Net Position (Deficit)		$ (12,784,497)

See Notes to Financial Statements

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, 2025

				Formerly Major Funds			
	General	Special Aid	Capital Projects	School Food Service	Scholarships	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Real property taxes	$ 22,138,987	$	$	$	$	$	$ 22,138,987
Other tax items	1,623,293						1,623,293
Charges for services	263,637						263,637
Use of money and property	477,669					239	477,908
Sale of property and compensation for loss	1,062						1,062
Miscellaneous	361,198						361,198
State sources	13,805,751	745,959				181,876	14,733,586
Medicaid reimbursement	43,221						43,221
Federal sources		971,068				248,732	1,219,800
Total Revenues	38,714,818	1,717,027	-	-	-	430,847	40,862,692
EXPENDITURES							
General support	3,983,554	14,495					3,998,049
Instruction	23,686,025	1,665,136				100	25,351,261
Pupil transportation	2,154,680	127,744					2,282,424
Employee benefits	7,591,452						7,591,452
Debt service							
Principal	187,420						187,420
Interest	67,145						67,145
Food service program						474,669	474,669
Capital outlay			607,533				607,533
Total Expenditures	37,670,276	1,807,375	607,533	-	-	474,769	40,559,953
Excess (Deficiency) of Revenues Over Expenditures	1,044,542	(90,348)	(607,533)	-	-	(43,922)	302,739
OTHER FINANCING SOURCES AND (USES)							
Proceeds of debt			47,494				47,494
Operating transfers in		90,348	850,000			10,000	950,348
Operating transfers (out)	(950,348)						(950,348)
Total Other Financing Sources and (Uses)	(950,348)	90,348	897,494	-	-	10,000	47,494
Net Change in Fund Balances	94,194	-	289,961	-	-	(33,922)	350,233
Fund Balances (Deficit) - as Previously Reported	11,499,406	-	1,012,163	(44,403)	1,030	-	12,468,196
Changes to or Within Reporting Entity				44,403	(1,030)	(43,373)	-
Fund Balances (Deficit) - as Restated	11,499,406	-	1,012,163	-	-	(43,373)	12,468,196
Fund Balances (Deficit) - End of Year	$ 11,593,600	$ -	$ 1,302,124	$ -	$ -	$ (77,295)	$ 12,818,429

See Notes to Financial Statements

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, 2025

Net Change in Fund Balances		$ 350,233
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).	$ 498,296	
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	(116,353)	
		381,943
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	620,947	
Depreciation/amortization expense	(900,951)	
		(280,004)
Long-Term Debt Transactions Differences		
Proceeds from the issuance of debt are other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities	(47,494)	
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	162,920	
Lease liabilities	2,919	
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, 2024 to June 30, 2025.	725	
		140,651
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	294,565	
Employees' retirement system	122,868	
Other postemployment benefits	85,883	
		503,316
Change in Net Position (Deficit) of Governmental Activities		$ 1,096,139

See Notes to Financial Statements

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2025

	Custodial
ASSETS	
Due from other governments	$ 627,480
LIABILITIES	
Due to other governments	627,480
NET POSITION	
Restricted for individuals, organizations, and other governments	$ -

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended June 30, 2025

	Custodial
ADDITIONS	
Real property taxes and PILOT collected for other governments:	
Central High School District - real property taxes	$ 24,750,297
Central High School District - PILOT	731,629
	25,481,926
DEDUCTIONS	
Disbursement of real property taxes and PILOT to the Central High School District	25,481,926
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	$ -

See Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Valley Stream Union Free School District Twenty-Four ("the 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 ("the Board") consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

B. Joint Venture

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

C. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental 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 government that provides the funds or outside parties.

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

The following are the District's nonmajor governmental funds:

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

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

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

Custodial Fund – is used to account for real property taxes and 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.

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 payments are not the result of tax abatement agreements as defined by GASB, 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.

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, eliminations have been made for all interfund receivables and payables among the funds.

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

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

I. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including revenue availability, 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 consists of cash on hand, bank deposits, and investments with an original maturity date of 90 days or less from date of acquisition.

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

K. Receivables

Receivables are recorded when the transaction takes place, and the respective revenues are recognized as earned in the district-wide financial statements, and when available in the fund financial statements. 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.

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

	Capitalization Threshold	Estimated Useful Life
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 liabilities 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, 2025.

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 and smart school bond monies in the capital projects 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.

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

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 postemployment benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide financial statements, the cost of postemployment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting as set forth by GASB.

R. Long-Term Debt

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital 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. Lease Liabilities

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. 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) reduced by outstanding balances of related debt obligations from the acquisition, construction, and improvements of those assets, as well as capital related accounts payable, net of any unexpended proceeds.

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:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of the long-term portion of loans receivable related to the nonmajor funds deficit, which is recorded in the general fund.

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

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions payable to the ERS and TRS. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may legally be appropriated. Contributions to the TRS sub-fund are limited 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.

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 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 nonmajor funds.

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.

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. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used, but not yet paid in cash or settled through noncash means. This liability

would include leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash, or settled through noncash means.

See "Changes to or Within Reporting Entity, and Change in Accounting Principle" Note for detailed information regarding the restatement.

3. 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, 2026	GASB No. 103 – *Financial Reporting Model Improvements*
June 30, 2026	GASB No. 104 – *Disclosure of Certain Capital Assets*

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.

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

4. 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, long-term assets and liabilities, and deferred inflows of resources.

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

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

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources

measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences.

Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on 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 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.

5. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

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

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

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

restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

Transfer to the capital projects fund funded by a voter-approved expenditure from the capital reserve	$ 850,000
Employee payouts funded by the employee benefit accrued liability reserve	156,854
	$ 1,006,854

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

B. Encumbrances

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

C. Capital Projects Fund Deficit

The capital projects fund has an unassigned fund balance deficit of $1,101,352. This will be funded when the District obtains grant funds from the Dormitory Authority of the State of New York (DASNY).

D. Nonmajor Funds Deficit

The nonmajor funds has an unassigned fund balance deficit of $78,233. This is expected to be funded by a budgeted or Board authorized subsequent year transfer from the general fund.

E. Unrestricted Net Position Deficit

As of June 30, 2025, the governmental activities reported a deficit in unrestricted net position of $33,671,070. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liabilities and total OPEB liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liabilities on a "pay as you go" basis, has resulted in a negative unrestricted net position. The District remains committed to its employees and retirees by continuing to make all required contributes to the pension plans and including these amounts in its annual budget to cover its share of the costs of postemployment health insurance coverage.

6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies,

repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits, and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

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, except as discussed in the note below. 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 Articles 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, 2025, was 46 days and the weighted average life (WAL) was 77 days. These investments are included in cash as follows:

Fund	Carrying Amount
General	$ 2,251,606

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 Rhinebeck. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

7. PARTICIPATION IN BOCES

During the year ended June 30, 2025, the District was billed $5,305,780 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $523,655. 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.

8. DUE FROM STATE AND FEDERAL

Due from state and federal at June 30, 2025 consisted of:

General Fund	
New York State - excess cost aid	$ 272,415
Special Aid Fund	
Federal and state grants	1,058,155
Capital Projects Fund	
Dormitory Authority of the State of New York	1,176,839
Nonmajor Funds	
Federal and state food service program reimbursements	58,810
	$ 2,566,219

District management expects these amounts to be fully collectible.

9. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2025 consisted of:

General Fund	
BOCES aid	$ 235,592
Town of Hempstead IDA - PILOT	95,384
Other districts - health services	12,492
Nassau BOCES reimbursement	285
Medicaid	440
	$ 344,193

District management expects these amounts to be fully collectible.

10. CAPITAL ASSETS

A. Changes

Capital assets balances and activity for the year ended June 30, 2025, were as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated/ amortized:				
Land	$ 155,300	$	$	$ 155,300
Construction in progress	153,577	607,533	(521,775)	239,335
Total capital assets not being depreciated/amortized	308,877	607,533	(521,775)	394,635
Capital assets being depreciated:				
Buildings and improvements	20,870,234	474,281		21,344,515
Furniture and equipment	3,400,881	13,414		3,414,295
Licensed vehicles	83,008	47,494		130,502
Leased equipment	10,989			10,989
Total capital assets being depreciated/amortized	24,365,112	535,189	-	24,900,301
Less accumulated depreciation/amortization for:				
Buildings	10,992,793	711,823		11,704,616
Furniture and equipment	1,438,493	182,834		1,621,327
Licensed vehicles	83,008	5,195		88,203
Leased equipment	1,419	1,099		2,518
Total accumulated depreciation/amortization	12,515,713	900,951	-	13,416,664
Total capital assets, being depreciated/amortized, net	11,849,399	(365,762)	-	11,483,637
Capital assets, net	$ 12,158,276	$ 241,771	$ (521,775)	$ 11,878,272

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

General support	$ 131,911
Instruction	735,734
Pupil transportation	20,412
Food service program	12,894
Total depreciation/amortization expense	$ 900,951

B. Lease Assets

The District has entered into a lease agreement whose term 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, 2025, the District has not recorded any such impairment losses.

11. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2025, were as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
Governmental Funds				
General Fund	$ 1,153,506	$ 1,483,097	$	$ 950,348
Special Aid Fund		1,054,814	90,348	
Capital Projects Fund	1,467,242		850,000	
Nonmajor Funds	643	83,480	10,000	
Total Governmental Funds	$ 2,621,391	$ 2,621,391	$ 950,348	$ 950,348

The District typically transfers from the general fund to the special aid fund, capital projects fund and nonmajor funds per the approved budget. The transfer to the special aid fund was for the District's share of the costs for the summer program for students with disabilities and the state-supported Section 4201 schools. The transfer to the 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.

The transfer from/to the nonmajor funds consisted of the transfer to the school food service fund to provide support for the food service program and the reimbursement of unpaid student meal balances in accordance with state regulations.

12. LONG-TERM LIABILITIES

A. Changes

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

	Restated Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Long-term debt:					
Installment purchase debt	$ 49,715	$ 47,494	$ (21,581)	$ 75,628	$ 28,433
Energy performance contract	1,921,441		(162,920)	1,758,521	168,771
Lease liabilities	7,454		(2,919)	4,535	3,002
Other long-term liabilities:					
Compensated absences*	1,678,764	116,353		1,795,117	89,756
Total OPEB liability	35,606,840		(3,158,787)	32,448,053	890,950
	$ 39,264,214	$ 163,847	$ (3,346,207)	$ 36,081,854	$ 1,180,912

* The beginning balance of compensated absences of $1,577,379, as previously reported, was increased by $101,385 to present the cumulative effect of GASB Statement No. 101.

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, see "Postemployment Healthcare Benefits" Note 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, 2025
Copiers	9/1/2021	2/28/2027	0.00%	$ 28,134
Chevy Cargo Van	8/26/2024	2/1/2030	3.60%	47,494
				$ 75,628

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 28,433	$ 5,096	$ 33,529
2027	15,621	2,880	18,501
2028	9,760	2,187	11,947
2029	10,506	1,442	11,948
2030	11,308	640	11,948
Total	$ 75,628	$ 12,245	$ 87,873

C. Energy Performance Contract

Energy performance contract is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Energy performance contract	11/21/2018	11/15/2033	3.56%	$ 1,758,521

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

Year Ending June 30,	Principal	Interest	Total
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	194,356	35,530	229,886
2031-2034	851,830	67,714	919,544
Total	$ 1,758,521	$ 310,453	$ 2,068,974

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 District 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 District.

D. Lease Liabilities

Lease liabilities are comprised of the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Postage machine	3/30/2023	3/30/2027	2.816%	$ 4,535

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 3,002	$ 96	$ 3,098
2027	1,533	16	1,549
Total	$ 4,535	$ 112	$ 4,647

There were no additional lease commitments entered into by the District after June 30, 2025.

E. Interest Expense

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

Interest paid	$ 67,145
Less interest accrued in the prior year	(8,550)
Plus interest accrued in the current year	7,825
Total interest expense on long-term debt	$ 66,420

13. 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.

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 9.76% of covered payroll for the TRS' fiscal year ended June 30, 2024. The District's average contribution rate was 14.18% of covered payroll for the ERS' fiscal year ended March 31, 2025.

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2025 was $1,622,435 for TRS at the contribution rate of 10.11% and $419,411 for ERS at an average contribution rate of 11.85%.

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

At June 30, 2025, 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, 2024, for TRS and March 31, 2025 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, 2024	March 31, 2025
District's proportionate share of the net pension asset (liability)	$ 2,349,267	$ (1,119,638)
District's portion of the Plan's net pension liability	0.078739%	0.0065301%
Change in proportion since the prior measurement date	(0.000759)	0.0001195

For the year ended June 30, 2025, the District recognized a pension expense of $1,327,864 for TRS and $296,543 for ERS. At June 30, 2025, 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	$ 2,529,729	$ 277,902	$	$ 13,109
Changes of assumptions	1,405,337	46,955	236,391	
Net difference between projected and actual earnings on pension plan investments		87,844	2,610,235	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	150,816	147,432	3,287	24,043
District contributions subsequent to the measurement date	1,622,429	159,393		
Total	$ 5,708,311	$ 719,526	$ 2,849,913	$ 37,152

District contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. 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
2026	$ (1,170,455)	$ 242,237
2027	2,916,524	319,565
2028	(434,850)	(68,618)
2029	(510,643)	29,797
2030	314,008	
Thereafter	121,385	
	$ 1,235,969	$ 522,981

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
Actuarial valuation date	June 30, 2023	April 1, 2024
Inflation	2.40%	2.90%
Salary increases	1.95-5.18%	4.30%
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.

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.

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, 2024		March 31, 2025
Asset class				
Domestic equity	33.0%	6.60%	25.0%	3.54%
International equity	15.0%	7.40%	14.0%	6.57%
Global equity	4.0%	6.90%		
Real estate equity	11.0%	6.30%	12.0%	4.95%
Private equity	9.0%	10.00%	15.0%	7.25%
Alternative investments			11.0%	5.25-5.55%
Domestic fixed income	16.0%	2.60%		
High-yield bonds	1.0%	4.80%		
Global bonds	2.0%	2.50%		
Fixed income			22.0%	2.00%
Private debt	2.0%	5.90%		
Real estate debt	6.0%	3.90%		
Cash equivalents	1.0%	0.50%		
Cash			1.0%	0.25%
	100.0%		100.0%	

Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.9% for ERS.

Discount Rate

The discount rate used to measure the total pension liability was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate 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:

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
District's proportionate share of the net pension asset/(liability)	$ (10,851,398)	$ 2,349,267	$ 13,451,380

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
District's proportionate share of the net pension asset/(liability)	$ (3,240,372)	$ (1,119,638)	$ 651,177

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:

	TRS	ERS
	(Dollars in Thousands)	
Measurement date	June 30, 2024	March 31, 2025
Employers' total pension liability	$ (142,837,827)	$ (247,600,239)
Plan fiduciary net position	145,821,435	230,454,512
Employers' net pension asset/(liability)	$ 2,983,608	$ (17,145,727)
Ratio of plan fiduciary net position to the employers' total pension liability	102.09%	93.08%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025, are paid to the system in September, October, and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025, represent employer and employee contributions for the fiscal year ended June 30, 2025, 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, 2025 amounted to $1,622,435 of employer contributions and $198,477 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, 2025, represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $159,393 of employer contributions. Employee contributions are remitted monthly.

14. 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, 2025, totaled $922,361.

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 $156,854. The amount deferred by eligible employees for the year ended June 30, 2025, totaled $55,245.

15. 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.

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, 2024 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	107
Inactive employees entitled to but not yet receiving benefits	-
Active employees	143
	250

B. Total OPEB Liability

The District's total OPEB liability of $32,448,053 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

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

Inflation	2.40%	
Discount rate	5.20%	
Healthcare cost trend rates	6.60%	decreasing to an ultimate rate of 3.80% over 49 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-2021 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, 2024	$ 35,606,840
Changes for the year	
Service cost	1,288,072
Interest on total OPEB liability	1,432,632
Changes of benefit terms	1,708,597
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(6,697,138)
Benefit payments	(890,950)
	(3,158,787)
Balance at June 30, 2025	$ 32,448,053

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.20% in 2025.

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 (4.20%) or 1 percentage point higher (6.20%) than the current discount rate:

OPEB	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB liability	$ (37,632,908)	$ (32,448,053)	$ (28,236,424)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.60% decreasing to 2.80%) or 1 percentage point higher (7.60% decreasing to 4.80%) than the current healthcare cost trend rate:

OPEB	1% Decrease 5.60% decreasing to 2.80%	Healthcare Cost Trend Rates 6.60% decreasing to 3.80%	1% Increase 7.60% decreasing to 4.80%
Total OPEB liability	$ (27,478,045)	$ (32,448,053)	$ (38,770,971)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $805,067. At June 30, 2025, 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	$ 1,483,782	$ 3,405,260
Changes of assumptions or other inputs	6,527,594	11,944,874
Total	$ 8,011,376	$ 15,350,134

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
2026	$ (1,915,637)
2027	(1,483,077)
2028	(1,377,641)
2029	(1,005,634)
2030	(439,749)
Thereafter	(1,117,020)
	$ (7,338,758)

16. DEFERRED INFLOWS OF RESOURCES

In the governmental fund financial statements, deferred inflows of resources, at June 30, 2025, consists of amounts due from the Dormitory Authority of the State of New York, respectively. At June 30, 2025, unavailable revenues in the capital projects fund were $1,176,838.

17. RISK MANAGEMENT

A. General Information

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

B. 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, 2025, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was $20,116,742 at a 2.00% discount rate. The Workers' Compensation Plan has assets of $29,717,662 to pay these liabilities. At June 30, 2025, the District's open claims, discounted at 2.00%, were $318,448.

18. CHANGES TO OR WITHIN REPORTING ENTITY AND CHANGE IN ACCOUNTING PRINCIPLE IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the year ended June 30, 2025, the District reclassified the following major funds to nonmajor funds: school food service fund and scholarships fund. This change is a voluntary presentation change made to improve the clarity of the financial statements and has no impact on the overall governmental fund balances. The funds were previously presented as major funds, but changes in financial activity during the current year now justify the nonmajor classification.

Additionally, for the year ended June 30 2025, the District implemented GASB Statement No. 101, which established a unified recognition and measurement model for compensated absences. Under the new guidance, accumulated sick leave that was previously an unrecorded liability is now recognized.

The following is a summary of these reporting entity and accounting principle changes:

	As Reported June 30, 2024	Changes to or Within Reporting Entity	Change in Accounting Principle	As Restated June 30, 2024
Government-wide				
Compensated absences	$ 1,577,379	$	$ 101,385	$ 1,678,764
Net Pension (Deficit)	$ (13,779,251)	$	$ (101,385)	$ (13,880,636)
Governmental Funds				
Major Funds				
School Food Service	$ (44,403)	$ 44,403		$ -
Scholarships	1,030	(1,030)		-
Nonmajor Funds	-	(43,373)		(43,373)
	$ (43,373)	$ -	$ -	$ (43,373)

19. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of $1,000,000 has been appropriated to reduce taxes for the year ending June 30, 2026.

20. 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	$ 2,000,000	$ 5,000,000	
			Total
General Fund			
Funding Provided	$ 2,000,000	$ 2,188,641	$ 4,188,641
Interest Earnings	164,276	93,812	258,088
Use of Reserve	(2,164,276)	(335,724)	(2,500,000)
Total General Fund	-	1,946,729	1,946,729
Capital Projects Fund			
Funding Provided	2,164,276	335,724	2,500,000
Use of Reserve	(36,592)	(59,932)	(96,524)
Total Capital Projects Fund	2,127,684	275,792	2,403,476
Balance as of June 30, 2025	$ 2,127,684	$ 2,222,521	$ 4,350,205

21. 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 $1,079,300. The District received payments totaling $284,239.

In addition, the District recognized $398,033 in LIPA PILOT, which is included in other tax items revenue; however, these payments are not the result of a tax abatement.

22. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as assigned fund balance. At June 30, 2025, the District encumbered the following amounts:

Restricted Fund Balance	
Capital Projects Fund	
Capital projects	$ 625,851
Assigned: Unappropriated Fund Balance:	
General Fund	
General Support	241,723
Instruction	16,193
	257,916
	$ 883,767

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.

23. 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 that would require adjustment of or disclosure in the financial statements.

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, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real property taxes	$ 22,989,192	$ 22,989,192	$ 22,138,987	$ (850,205)
Other tax items			1,623,293	1,623,293
Charges for services			263,637	263,637
Use of money and property	285,000	285,000	477,669	192,669
Sale of property and compensation for loss			1,062	1,062
Miscellaneous	1,169,749	1,169,749	361,198	(808,551)
Total Local Sources	24,443,941	24,443,941	24,865,846	421,905
State Sources	13,938,535	13,938,535	13,805,751	(132,784)
Medicaid Reimbursement			43,221	43,221
Total Revenues	38,382,476	38,382,476	38,714,818	$ 332,342
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	900,000	900,000		
Prior Year's Encumbrances	214,343	214,343		
Appropriated Reserves		1,006,854		
Total Appropriated Fund Balance	1,114,343	2,121,197		
Total Revenues and Appropriated Fund Balance	$ 39,496,819	$ 40,503,673		

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, 2025

	Original Budget	Final Budget	Actual	Year End Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 53,610	$ 90,610	$ 82,963	$	$ 7,647
Central administration	397,966	396,003	381,655		14,348
Finance	737,386	736,786	607,608	43,437	85,741
Staff	164,800	188,366	175,186		13,180
Central services	2,400,933	2,736,338	2,355,942	198,286	182,110
Special items	390,764	389,164	380,200		8,964
Total General Support	4,145,459	4,537,267	3,983,554	241,723	311,990
Instruction					
Administration & improvement	1,400,021	1,372,859	1,364,484		8,375
Teaching - regular school	10,760,797	11,489,488	11,344,482	4,268	140,738
Programs for students with disabilities	9,484,168	8,747,486	8,149,744	11,139	586,603
Teaching - special schools	26,554	32,622	31,797	786	39
Instructional media	1,192,200	1,323,521	1,293,304		30,217
Pupil services	1,253,290	1,605,316	1,502,214		103,102
Total Instruction	24,117,030	24,571,292	23,686,025	16,193	869,074
Pupil Transportation	2,183,808	2,183,808	2,154,680		29,128
Community Services	1,200	20			20
Employee Benefits	8,769,435	8,006,372	7,591,452		414,920
Debt Service					
Principal	162,920	187,420	187,420		-
Interest	66,967	67,146	67,145		1
Total Debt Service	229,887	254,566	254,565	-	1
Total Expenditures	39,446,819	39,553,325	37,670,276	257,916	1,625,133
OTHER FINANCING USES					
Operating Transfers Out	50,000	950,348	950,348		-
Total Expenditures and Other Uses	$ 39,496,819	$ 40,503,673	38,620,624	$ 257,916	$ 1,625,133
Net Change in Fund Balance			94,194		
Fund Balances - Beginning of Year			11,499,406		
Fund Balances - End of Year			$ 11,593,600		

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.078739%	0.079498%	0.080550%	0.081754%	0.084682%	0.084502%	0.084483%	0.084530%	0.085757%	0.093054%
District's proportionate share of the net pension asset/(liability)	$ 2,349,267	$ (909,130)	$ (1,545,674)	$ 14,167,178	$ (2,339,982)	$ 2,195,373	$ 1,527,678	$ 642,512	$ (918,498)	$ 9,665,331
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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.63 %	6.19 %	10.83 %	102.10 %	16.28 %	15.56 %	11.10 %	4.66 %	6.67 %	66.55 %
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0065301%	0.0064106%	0.0067901%	0.0068928%	0.0061390%	0.0065320%	0.0066104%	0.0061864%	0.0066236%	0.0066675%
District's proportionate share of the net pension asset/(liability)	$ (1,119,638)	$ (943,894)	$ (1,456,081)	$ 563,462	$ (6,113)	$ (1,729,707)	$ (468,364)	$ (199,662)	$ (622,371)	$ (1,070,156)
District's covered payroll	$ 2,743,602	$ 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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	40.81 %	37.07 %	59.24 %	25.83 %	0.27 %	81.35 %	21.54 %	9.94 %	29.21 %	53.13 %
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

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

Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,622,429	$ 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
Contributions in relation to the contractually required contribution	1,622,429	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
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 16,218,135	$ 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
Contributions as a percentage of covered payroll	10%	10%	10%	10%	10%	9%	11%	10%	11%	13%

Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 419,411	$ 326,531	$ 285,984	$ 321,223	$ 317,646	$ 305,256	$ 300,437	$ 285,922	$ 300,990	$ 331,920
Contributions in relation to the contractually required contribution	419,411	326,531	285,984	321,223	317,646	305,256	300,437	285,922	300,990	331,920
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,368,278	$ 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
Contributions as a percentage of covered payroll	12%	10%	9%	12%	14%	14%	14%	13%	14%	16%

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 1,288,072	$ 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	1,432,632	1,324,401	1,089,216	811,960	783,028	975,304	1,110,298	1,055,431
Changes in benefit terms	1,708,597	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(1,548,078)	-	(4,025,910)	-	(4,513,435)	(158,849)
Changes of assumptions or other inputs	(6,697,138)	(1,625,428)	5,404,154	(7,941,683)	4,529,174	5,854,994	(6,380,015)	-
Benefit payments	(890,950)	(747,496)	(708,001)	(662,162)	(630,516)	(461,816)	(426,472)	(363,942)
Net change in total OPEB liability	(3,158,787)	249,817	5,228,871	(6,272,271)	1,937,211	7,451,212	(8,882,312)	2,249,311
Total OPEB liability, beginning	35,606,840	35,357,023	30,128,152	36,400,423	34,463,212	27,012,000	35,894,312	33,645,001
Total OPEB liability, ending	$ 32,448,053	$ 35,606,840	$ 35,357,023	$ 30,128,152	$ 36,400,423	$ 34,463,212	$ 27,012,000	$ 35,894,312
Covered employee payroll	$ 16,433,746	$ 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	197.45%	229.41%	227.80%	198.68%	240.04%	227.08%	177.99%	208.56%
Discount rate	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%
Healthcare trend rates	6.6% to 3.8% over 49 years	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
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	School Food Service	Scholarships	Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents			
Unrestricted	$ 698	$	$ 698
Restricted		295	295
Receivables			
Due from other funds		643	643
Due from state and federal	58,810		58,810
Total Assets	$ 59,508	$ 938	$ 60,446
LIABILITIES			
Payables			
Accounts payable	$ 28,453	$	$ 28,453
Due to other funds	83,480		83,480
Unearned credits			
Collections in advance	25,808		25,808
Total Liabilities	137,741	-	137,741
FUND BALANCES (DEFICIT)			
Restricted: Scholarships		938	938
Unassigned: Fund balance (deficit)	(78,233)		(78,233)
Total Fund Balances (Deficit)	(78,233)	938	(77,295)
Total Liabilities and Fund Balances	$ 59,508	$ 938	$ 60,446

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	School Food Service	Scholarships	Nonmajor Governmental Funds
REVENUES			
Use of money and property	$ 231	$ 8	$ 239
State sources	181,876		181,876
Federal sources	248,732		248,732
Total Revenues	430,839	8	430,847
EXPENDITURES			
Instruction		100	100
Food service program	474,669		474,669
Total Expenditures	474,669	100	474,769
Deficiency of Revenues Over Expenditures	(43,830)	(92)	(43,922)
OTHER FINANCING SOURCES AND (USES)			
Operating transfers in	10,000		10,000
Net Change in Fund Balances	(33,830)	(92)	(33,922)
Fund Balances - Beginning of Year, as Previously Reported	-	-	-
Changes to or Within Reporting Entity	(44,403)	1,030	(43,373)
Fund Balances (Deficit) - Beginning of Year as Restated	(44,403)	1,030	(43,373)
Fund Balances (Deficit) - End of Year	$ (78,233)	$ 938	$ (77,295)

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, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 39,282,476
Additions:		
Prior year's encumbrances		214,343
Original Budget		39,496,819
Budget revisions		1,006,854
Final Budget		$ 40,503,673

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget		$ 41,242,480
Maximum allowed (4% of 2025-2026 budget)		$ 1,649,699
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 1,257,916	
Unassigned fund balance	1,649,699	
		$ 2,907,615
Less:		
Appropriated fund balance	1,000,000	
Encumbrances	257,916	
Total adjustments		1,257,916
General Fund Fund Balance Subject to § 1318 of Real Property Tax Law:		$ 1,649,699
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, 2025

			Expenditures				Methods of Financing				
PROJECT TITLE	Budget June 30, 2024	Budget June 30, 2025	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Debt	State Aid	Local Sources	Total	Fund Balance June 30, 2025
Field Renovations - RWC/WLB	$ 549,066	$ 549,066	$ 547,269	$	$ 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	574,455	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	95,055	95,055	22,916	276	23,192	71,863			95,055	95,055	71,863
District-Wide Flooring Replacement	98,600	98,600	94,069		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
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	5,959	22,648	302,352			325,000	325,000	302,352
A/C & Electrical - Capital Reserve 2023-2024	425,000	425,000		20,016	20,016	404,984			425,000	425,000	404,984
Door & Fire Alarm - Capital Reserve 2023-2024	800,000	800,000		33,957	33,957	766,043			800,000	800,000	766,043
Inclusive Playground Equipment		474,281		474,281	474,281	-		474,281		474,281	-
Water Filtration Systems - Districtwide		25,719		25,550	25,550	169		25,719		25,719	169
Purchase of Chevrolet Cargo Express Van		47,494		47,494	47,494	-	47,494			47,494	-
District-Wide Door Control Access/Alarms, Roofing Replacement & Classroom Reno - Capital Reserve		850,000			-	850,000			850,000	850,000	850,000
Totals	$ 3,294,665	$ 4,692,159	$ 1,538,461	$ 607,533	$ 2,145,994	$ 2,546,165	$ 47,494	$ 1,268,539	$ 3,376,126	$ 4,692,159	$ 2,546,165
										Less: State sources revenue not yet recognized	(1,244,041)
											$ 1,302,124

See Paragraph on Other Information Included in Auditor's Report

VALLEY STREAM UNION FREE SCHOOL DISTRICT TWENTY-FOUR
Schedule of Net Investment in Capital Assets
June 30, 2025

Capital assets, net	$ 11,878,272
Deduct:	
Capital related liability - accounts payable	165,181
Short-term portion of installment purchase debt	28,433
Long-term portion of installment purchase debt	47,195
Short-term portion of energy performance contract	168,771
Long-term portion of energy performance contract	1,589,750
Short-term portion of lease liabilities	3,002
Long-term portion of lease liabilities	1,533
	2,003,865
Net Investment in Capital Assets	$ 9,874,407

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

Robert S. Abrams
(1926-2014)

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

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

To the Board of Education
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, the aggregate remaining fund information, and the fiduciary fund of the Valley Stream Union Free School District #24 (the "District"), as of and for the year ended June 30, 2025, 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 8, 2025.

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*.

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.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 8, 2025