VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended
June 30, 2025

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
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Independent Auditor's Report

Board of Education
Valley Stream Union Free School District Thirteen

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Valley Stream Union Free School District Thirteen, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Valley Stream Union Free School District Thirteen's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Valley Stream Union Free School District Thirteen, 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 financials audits contained in *Government Auditing Standards* issued by the Comptroller 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 Valley Stream Union Free School District Thirteen, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District changed its accounting policies related to the recognition and reporting of compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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 Valley Stream Union Free School District Thirteen'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 Valley Stream Union Free School District Thirteen'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 Valley Stream Union Free School District Thirteen'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 and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Valley Stream Union Free School District Thirteen's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The other supplementary information are the responsibility of management and were derived from and relate 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 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 9, 2025, on our consideration of the Valley Stream Union Free School District Thirteen'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 Valley Stream Union Free School District Thirteen'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 Valley Stream Union Free School District Thirteen's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

October 9, 2025

Rome, New York

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Valley Stream Union Free School District Thirteen, New York

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley Stream Union Free School District Thirteen, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Valley Stream Union Free School District Thirteen's basic financial statements, and have issued our report thereon dated October 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Valley Stream Union Free School District Thirteen'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 Valley Stream Union Free School District Thirteen's internal control. Accordingly, we do not express an opinion on the effectiveness of Valley Stream Union Free School District Thirteen'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 school 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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 9, 2025

Rome, New York

The Valley Stream Union Free School District Thirteen's discussion and analysis of financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2025 and 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

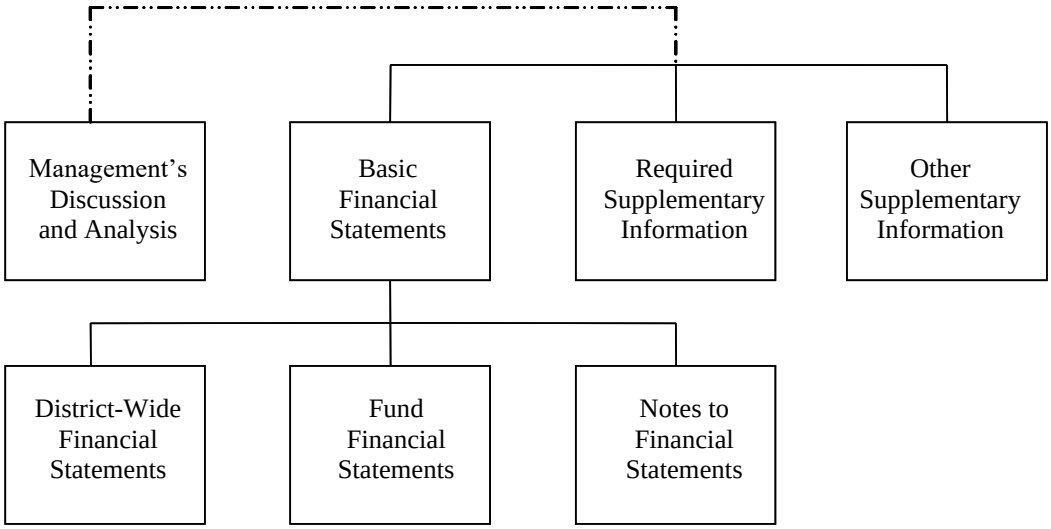
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025, are as follows:

- The District's total liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year by $8,329,644 (total Net Position (Deficit)). This represents a decrease of $272,291 from the prior year's Net Position.
- The School District's expenses for the year, as reflected in the District-wide financial statements, totaled $67,275,121. General revenues of $64,324,098 amount to 96.0% of total revenues.
- The School District received $2,665,562 in operating grants to support instructional programs.
- State and federal revenue increased by $2,182,039 to $23,875,431 in 2025 from $21,693,392 in 2024.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 14 and 16, increased by $321,341 to $16,313,989. This was due to a surplus of revenues over expenditures based on the modified accrual basis of accounting.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the 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 School District and are organized to provide an understanding of the fiscal performance of the School 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 School District's finances.

These statements utilize 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 School District's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating, respectively.

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. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, not the School 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 School District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the School District are reported in the governmental funds and the fiduciary fund.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

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 School 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, you may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains three individual governmental funds; General fund, Special Aid fund, and Capital fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Fund

The Fiduciary fund is used to account for assets held by the School District in its capacity as agent or trustee. All of the School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the School District's District-wide financial statements because the School District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The School District's total net position decreased by $272,291 between fiscal year 2024 and 2025. A summary of the School District's Statement of Net Position for June 30, 2025 and 2024, is as follows:

	2025	Restated 2024	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 24,634,392	$ 24,775,294	$ (140,902)	(0.6%)
Net Pension Asset-Proportionate Share	4,034,844		4,034,844	100.0%
Capital Assets, (Net of Depreciation)	47,964,349	48,697,851	(733,502)	(1.5%)
Total Assets	76,633,585	73,473,145	3,160,440	4.3%
Deferred Outflows of Resources	21,532,732	23,642,178	(2,109,446)	(8.9%)
Current and Other Liabilities	5,420,460	5,104,053	316,407	6.2%
Non-Current Liabilities	79,682,923	85,612,956	(5,930,033)	(6.9%)
Total Liabilities	85,103,383	90,717,009	(5,613,626)	(6.2%)
Deferred Inflows of Resources	21,392,578	14,455,667	6,936,911	48.0%
Net Position				
Net Investment in Capital Assets	19,406,413	19,027,988	378,425	2.0%
Restricted	14,527,162	14,927,693	(400,531)	(2.7%)
Unrestricted (Deficit)	(42,263,219)	(42,013,034)	(250,185)	(0.6%)
Total Net Position	$ (8,329,644)	$ (8,057,353)	$ (272,291)	(3.4%)

Current and other assets decreased by $140,902, as compared to the prior year. The decrease is primarily the result of a decrease to amounts owed to other governments, offset by increases in the School District's cash balances.

The Net Pension Asset – Proportionate Share relating to the Retirement Systems increased by $4,034,844, as compared to the prior year due to the actuarial calculation in the current year resulted in a Net Pension Asset for the TRS.

Capital assets (net of depreciation) decreased by $733,502, as compared to the prior year. This decrease is primarily the result of amounts for depreciation exceeding capital outlay in the current year. Note 7 to the Financial Statements provides additional information.

Deferred outflows of resources decreased by $2,109,446, as compared to the prior year, primarily due to a decrease related to Other Postemployment Benefits (OPEB) and deferred outflows of resources for ERS and TRS.

Current and other liabilities increased by $316,407, as compared to the prior year, primarily due to an increases in amounts owed to the retirement systems and accounts payable. These increases were offset by decreases in compensated absences and other liabilities.

Non-current liabilities decreased by $5,930,033 as compared to the prior year. This decrease is primarily the result of the payments of bond principal totaling $1,780,087, a reduction in bond premium by $167,250, and a decrease in the GASB 68 net pension liability of $3,219,457.

Deferred inflows of resources increased by $6,936,911, as compared to the prior year, primarily due to an increase related to Other Postemployment Benefits (OPEB) and deferred inflows of resources for ERS and TRS.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, and purchase vehicles, equipment and furniture to support School District operations.

The restricted portion of the net position at June 30, 2025 was $14,527,162, which represents the amount of the School District's restricted funds in the General and Capital funds.

The unrestricted portion of the net position at June 30, 2025, was a deficit of $42,263,219, which represents the amount by which the School District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources. The main reason for this deficit is the recording of the OPEB liability in accordance with GASB 75.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements, STAR (school tax relief) revenue and other real property tax items are shown separately. However, in this MD&A, STAR and other real property tax revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows:

Revenues	2025	2024	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 13,170	$ 121,586	$ (108,416)	(89.2%)
Operating and Capital Grants	2,665,562	4,223,325	(1,557,763)	(36.9%)
General Revenues				
Property Taxes and STAR	39,787,070	39,499,735	287,335	0.7%
State and Federal Sources	23,875,431	21,693,392	2,182,039	10.1%
Other	661,597	507,466	154,131	30.4%
Total Revenues	67,002,830	66,045,504	957,326	1.4%
Expenses				
General Support	7,051,077	7,827,956	(776,879)	(9.9%)
Instruction	55,109,401	55,377,961	(268,560)	(0.5%)
Pupil Transportation	4,351,063	4,337,596	13,467	0.3%
Community Service	78,721	87,669	(8,948)	(10.2%)
Debt Service-Unallocated Interest	684,859	757,571	(72,712)	(9.6%)
Total Expenses	67,275,121	68,388,753	(1,113,632)	(1.6%)
Total Change in Net Position	$ (272,291)	$ (2,343,249)	$ 2,070,958	

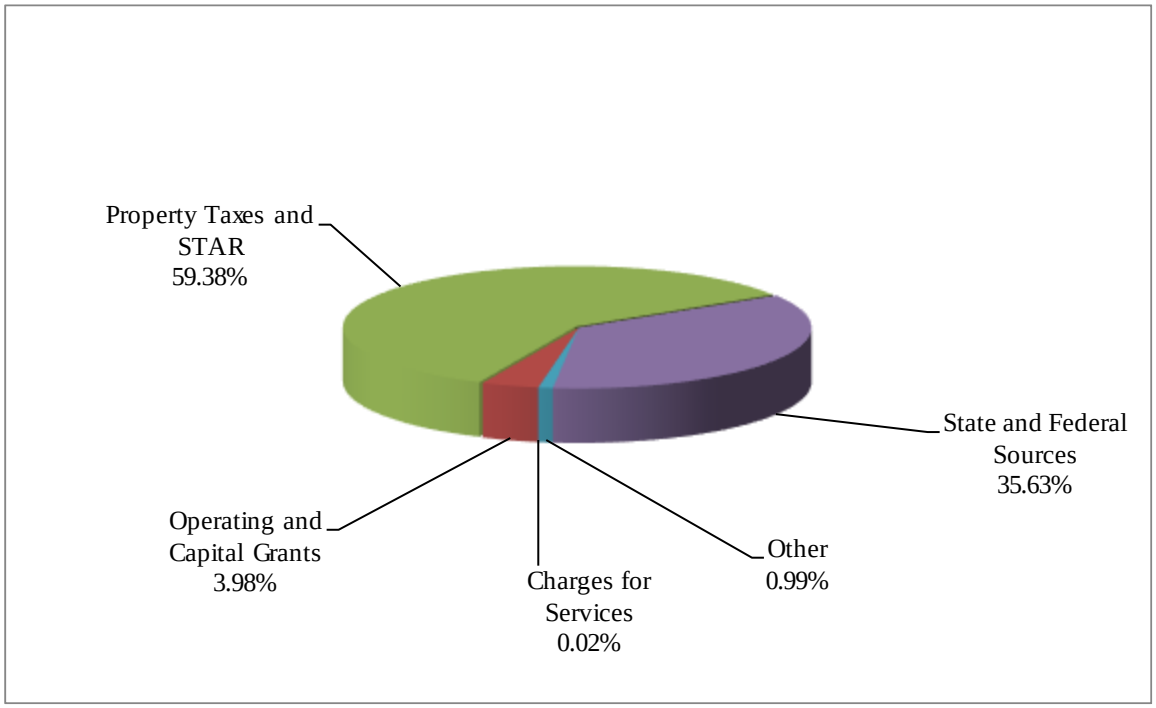
The School District's revenues increased by $957,326 in 2025 or 1.4%. The factors that contributed to this decrease were as follows:

- State and federal sources increased by $2,182,039, or 10.1%, primarily due to increases in state aid (basic formula and lottery aid).
- Operating and capital grants decreased by $1,557,763, or 36.9%, primarily due to a decrease in the education stabilization funds.
- Property taxes and STAR increased by $287,335, or 0.7%.
- Other revenue sources increased by $154,131, or 30.4%, due to increases in interest earnings.

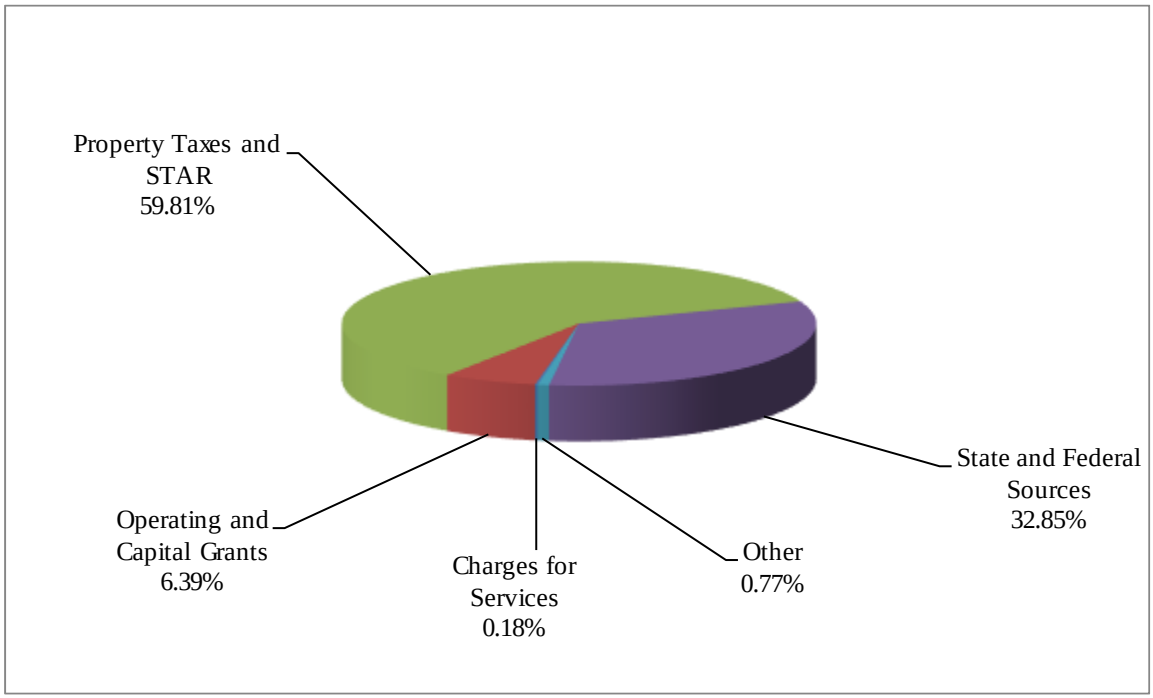
The School District's expenditures for the year decreased by $1,113,632 or 1.6%. The major factor contributing to this was due to a decrease in education stabilization fund spending and expenses allocated for the change in the District's proportionate share of the ERS and TRS total pension liabilities.

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

For the Year Ended June 30, 2025

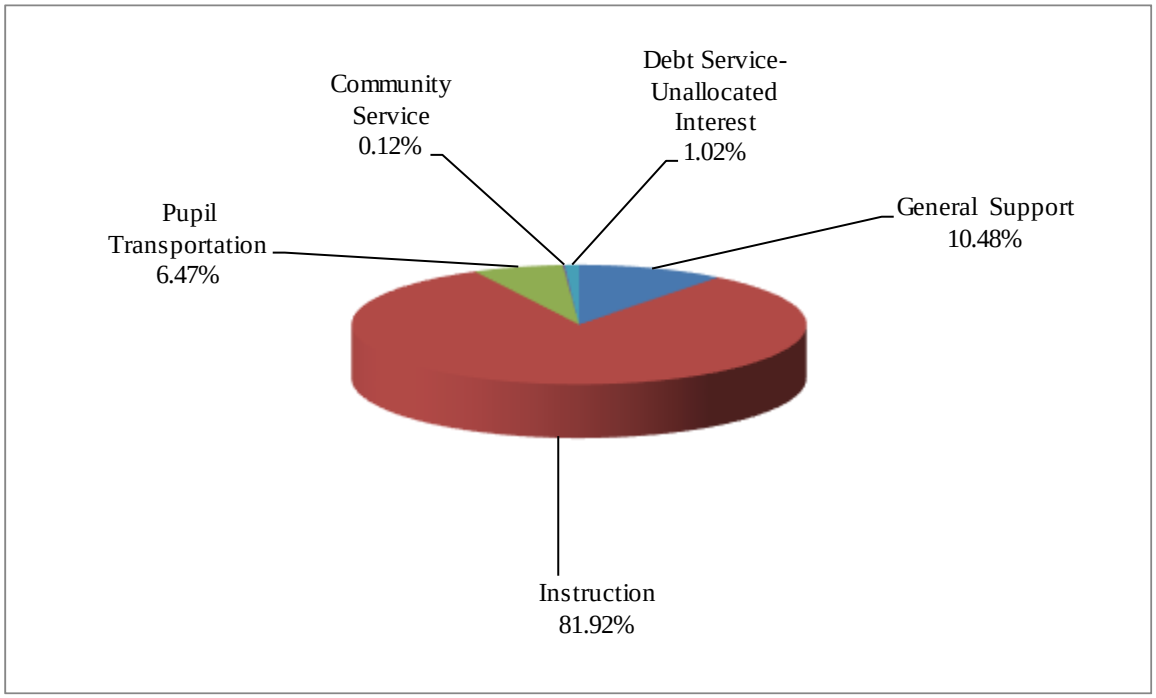


For the Year Ended June 30, 2024

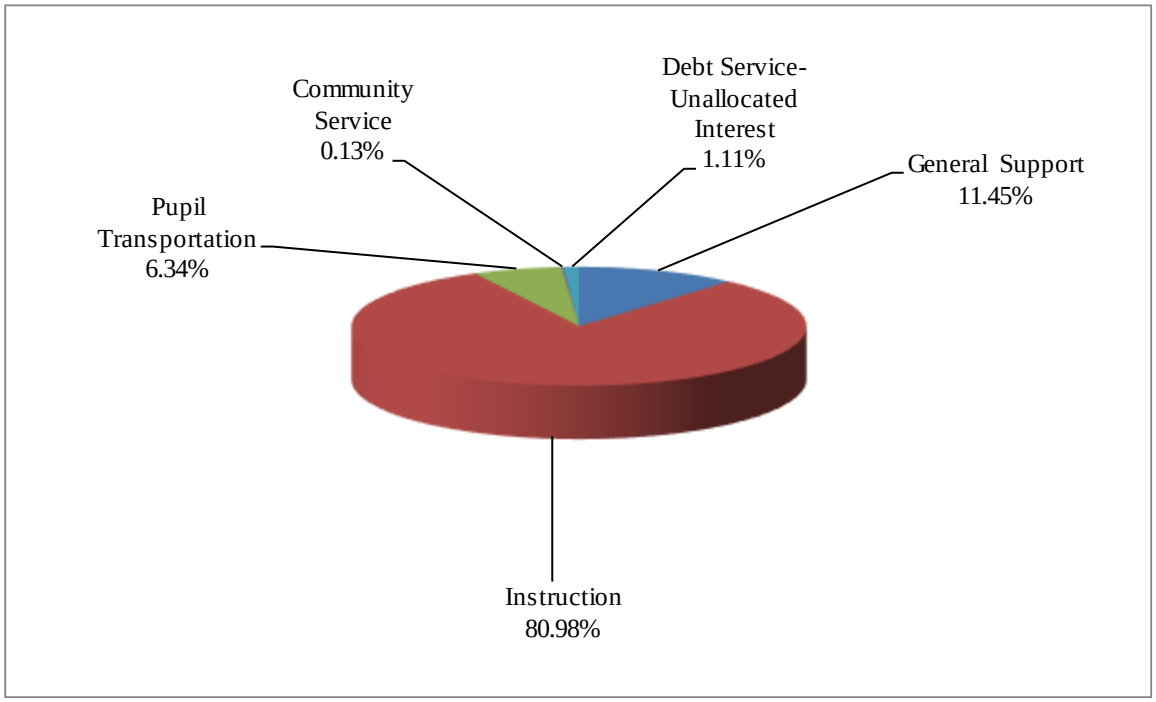


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2025



For the Year Ended June 30, 2024



4. FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUND BALANCES

At June 30, 2025, the School District's governmental funds reported a combined fund balance of $19,003,656 of which is a decrease of $484,069 from the prior year. This decrease is primarily due to expenditures exceeding revenues in the Capital Fund. A summary of the change in fund balance by fund is as follows:

General Fund	2025	2024	Increase (Decrease)
Restricted			
Workers' Compensation	$ 681,145	$ 517,438	$ 163,707
Unemployment Insurance	515,375	502,075	13,300
Employee Benefit Accrued Liability	3,352,427	2,924,947	427,480
Retirement Contribution			
Employee Retirement System	3,351,253	3,264,771	86,482
Teacher's Retirement System	1,300,334	1,023,230	277,104
Property Loss and Liability	182,804	178,087	4,717
Capital	2,454,157	3,022,068	(567,911)
Total Restricted	11,837,495	11,432,616	404,879
Assigned			
Encumbrances	14,354	8,421	5,933
Assigned for Subsequent Year's Expenditures	1,675,000	1,875,000	(200,000)
Total Assigned	1,689,354	1,883,421	(194,067)
Unassigned	2,787,140	2,676,611	110,529
Total General Fund	16,313,989	15,992,648	321,341
Capital Projects Fund			
Restricted	2,689,667	3,495,077	(805,410)
Total Fund Balance - All Funds	$ 19,003,656	$ 19,487,725	$ (484,069)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 Budget

The School District's General Fund adopted budget for the year ended June 30, 2025 was $67,396,074, excluding encumbrances. This is an increase of $3,585,454 over the prior year's adopted budget of $63,810,620.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was $39,759,081 in estimated property taxes and STAR, and State Aid in the amount of $24,254,993.

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

Opening, Unassigned Fund Balance	$ 2,676,611
Revenues and Transfers Under Budget	(293,453)
Expenditures and Encumbrances under Budget	4,489,740
Appropriated Reserves	(2,005,879)
Net Increase in Restricted Funds	(404,879)
Assigned to June 30, 2026 Budget	(1,675,000)
Closing, Unassigned Fund Balance	$ 2,787,140

Opening, Unassigned Fund Balance

The $2,676,611 shown in the table is the portion of the School District's June 30, 2024 fund balance that was retained as unassigned. This was 3.97% of the School District's 2024-2025 adopted budget.

Revenues and Transfers Under Budget

The 2024-2025 budget for revenues was $64,721,074. The actual revenues received for the year were $64,397,984. The actual revenue under the estimated or budgeted revenue was $323,090 primarily due to interest and earnings because of rising interest rates and state aid.

Expenditures and Encumbrances Under Budget

The 2024-2025 budget for expenditures was $68,610,374. The actual expenditures and encumbrances were $64,120,634. The final budget was under expended by $4,489,740. This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2024 to June 30, 2025.

Net Increase in Restricted Funds

The net increase in the restricted funds is comprised of interest earnings and contributions to reserves in the amount of $1,604,879, offset by the use of the capital reserves for $1,200,000.

Assigned to June 30, 2026 Budget

The School District has appropriated $1,675,000 of its available June 30, 2025, fund balance to partially fund its 2025-2026 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the School District will begin the 2025-2026 fiscal year with an unassigned fund balance of $2,787,140. This is an increase of $110,529 from the June 30, 2024 unassigned fund balance. This represents 4.00% of the School District's 2025-2026 approved operating budget.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2025, the School District had invested in a broad range of capital assets, including land, construction in progress, buildings, improvements, and vehicles, furniture, and equipment. The net decrease in capital assets is due to depreciation recorded exceeding capital additions for the year ended June 30, 2025. A summary of the School District's capital assets, net of depreciation at June 30, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Land	$ 1,370,184	$ 1,370,184	$
Construction in Progress	5,437,419	3,043,079	2,394,340
Buildings and Improvements	40,256,169	39,382,781	873,388
Land Improvements	69,884	78,344	(8,460)
Furniture, Equipment, and Vehicles	830,693	4,823,463	(3,992,770)
Capital Assets, Net	$ 47,964,349	$ 48,697,851	$ (733,502)

B. Debt Administration

At June 30, 2025, the School District had serial bonds and capital leases payable of $28,708,853. A summary of the outstanding bonds and leases at June 30, 2025 and 2024, is as follows:

Maturity Date	Interest Rate	2025	2024	Increase (Decrease)
2025	2.39%	$ 1,658,234	$ 2,048,748	$ (390,514)
2033	3.40%	2,300,619	2,580,192	(279,573)
2041	2.00 - 3.00%	24,750,000	25,860,000	(1,110,000)
		$ 28,708,853	$ 30,488,940	$ (1,780,087)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

School district budgets are highly sensitive to a range of economic factors that influence both revenue and expenditures. One of the most pressing challenges is the rising cost of transportation, where contracts and fuel prices have escalated significantly statewide. Transportation has become one of the fastest-growing budget lines in recent years. Alongside transportation, inflation continues to drive up the cost of utilities, food, and classroom supplies. Health insurance and employee benefits, already a substantial portion of every district's expenditures, are also projected to increase. In addition, the cost of mandated special education services, which require specialized staffing, smaller class sizes, and related supports, continues to place significant pressure on district finances.

On the revenue side, a major factor from the Governor's budget is the allocation of state and federal funding, particularly foundation aid. For many districts, the conclusion of multi-year aid increases will lead to slower revenue growth. At the federal level, recent funding cuts and policy changes in Washington have further reduced the amount of aid available for education programs, creating additional strain on district budgets. These dynamics create pressure to sustain programs without additional outside financial support. At the same time, local revenue generation is constrained by the property tax cap, limiting districts' ability to raise additional funds even as costs rise. Enrollment trends also present challenges: districts experiencing declining enrollment may face reduced funding, while those with growth must invest in additional staff and facilities to accommodate more students.

Environmental and facilities-related factors also influence district budgets. Rising energy costs, aging infrastructure, and the need to maintain safe and healthy school environments require ongoing investment. Many districts continue to prioritize long-term capital improvements and safety projects, while balancing those commitments with the short-term realities of operating expenses.

Despite these challenges, the Board of Education and Central Administration remain committed to building budgets that sustain support for students while maintaining high-quality academic programs. We continue to invest in curriculum, professional learning, and innovative experiences that prepare students for future success, while also implementing facilities projects and safety upgrades in a fiscally responsible manner. Though the economic climate is uncertain, thoughtful planning and community partnership remain essential to ensuring students have the resources, environments, and opportunities needed to thrive in an ever-changing world.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at

Valley Stream Union Free School District Thirteen
585 N. Corona Ave
Valley Stream, New York 11580.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
STATEMENT OF NET POSITION
June 30, 2025

Assets		
Cash and Cash Equivalents	$	6,626,928
Restricted Cash and Cash Equivalents		13,870,636
Receivables		
Tax Receivables		811,531
Other Governments		3,285,925
Other Receivables		39,372
Net Pension Asset-Proportionate Share		4,034,844
Capital Assets Not Being Depreciated		6,807,603
Capital Assets Being Depreciated, (Net of Accumulated Depreciation)		41,156,746
Total Assets		76,633,585
Deferred Outflows of Resources		
Deferred Outflow- Pensions		11,007,585
Deferred Outflow- OPEB		10,525,147
Total Deferred Outflows of Resources		21,532,732
Total Assets and Deferred Outflows of Resources	$	98,166,317
Liabilities		
Accounts Payable	$	1,088,919
Accrued Liabilities		245,335
Due To		
Other Governments		49,168
Teachers' Retirement System		3,185,840
Employees' Retirement System		203,974
Unearned Revenue		137,465
Compensated Absences		49,145
Accrued Interest Payable		290,356
Other Liabilities		170,258
Non-Current Liabilities		
Due Within One Year		
Serial Bond Payable		1,165,000
Capital Lease Payable		658,034
Compensated Absences		464,368
Due in More Than One Year		
Serial Bond Payable		23,585,000
Unamortized Premium on Serial Bond		2,508,750
Capital Lease Payable		3,330,819
Net Pension Liability-Proportionate Share		1,965,633
Workers' Compensation		698,692
Other Postemployment Benefits		42,555,071
Compensated Absences		2,751,556
Total Liabilities		85,103,383
Deferred Inflows of Resources		
Deferred Inflow- Pensions		5,033,767
Deferred Inflow- OPEB		16,358,811
Total Deferred Inflows of Resources		21,392,578
Net Position		
Net Investment in Capital Assets		19,406,413
Restricted		14,527,162
Unrestricted (Deficit)		(42,263,219)
Total Net Position (Deficit)		(8,329,644)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	98,166,317

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
General Support	$ 7,051,077	$	$	$ (7,051,077)
Instruction	55,109,401	13,170	2,665,562	(52,430,669)
Pupil Transportation	4,351,063			(4,351,063)
Community Service	78,721			(78,721)
Debt Service - Unallocated Interest	684,859			(684,859)
Total Functions/Programs	$ 67,275,121	$ 13,170	$ 2,665,562	(64,596,389)
General Revenues				
Real Property Taxes				36,697,316
Other Real Property Tax Items				638,875
School Tax Relief Reimbursement				2,450,879
Use of Money and Property				477,210
Sales of Property and Compensation for Loss				2,635
State and Federal Sources				23,875,431
Miscellaneous				181,752
Total General Revenues				64,324,098
Change in Net Position				(272,291)
Net Position (Deficit), Beginning of Year				(7,713,162)
Cummulative Change in Accounting Principle				(344,191)
Net Position, Beginning of Year (Restated)				(8,057,353)
Net Position (Deficit), End of Year				$ (8,329,644)

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General	Special Aid	Capital	Total
Assets				
Cash and Cash Equivalents	$ 6,597,072	$ 29,856	$	$ 6,626,928
Restricted Cash and Cash Equivalents	11,837,495		2,033,141	13,870,636
Receivables				
Tax Receivables	811,531			811,531
Due from Other Governments	962,140	1,823,153	500,632	3,285,925
Due from Other Funds	909,427		924,480	1,833,907
Other Receivables	39,372			39,372
Total Assets	$ 21,157,037	$ 1,853,009	$ 3,458,253	$ 26,468,299
Liabilities				
Payables				
Accounts Payable	$ 801,863	$ 19,102	$ 267,954	$ 1,088,919
Accrued Liabilities	245,335			245,335
Due To				
Other Governments	49,168			49,168
Other Funds		1,833,907		1,833,907
Teachers' Retirement System	3,185,840			3,185,840
Employees' Retirement System	203,974			203,974
Compensated Absences	49,145			49,145
Unearned Revenue	137,465		500,632	638,097
Other Liabilities	170,258			170,258
Total Liabilities	4,843,048	1,853,009	768,586	7,464,643
Fund Balances				
Restricted	11,837,495		2,689,667	14,527,162
Assigned	1,689,354			1,689,354
Unassigned	2,787,140			2,787,140
Total Fund Balances	16,313,989		2,689,667	19,003,656
Total Liabilities and Fund Balance	$ 21,157,037	$ 1,853,009	$ 3,458,253	$ 26,468,299

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE DISTRICT-WIDE NET POSITION
June 30, 2025

Total Governmental Fund Balances		$ 19,003,656
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
Original Cost of Capital Assets	74,174,201	
Accumulated Depreciation	(26,209,852)	47,964,349
Proportionate share of the long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.		
Net Pension Asset - Proportionate Share	4,034,844	
Deferred Outflows - Pensions	11,007,585	
Net Pension Liability - Proportionate Share	(1,965,633)	
Deferred Inflows - Pensions	(5,033,767)	8,043,029
Long-term liabilities, including capital lease payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Unearned Revenue	500,632	
Capital Lease Payable	(3,988,853)	
Serial Bonds Payable	(24,750,000)	
Unamortized Premium on Serial Bond	(2,508,750)	
Accrued Interest on Debt	(290,356)	
Workers' Compensation	(698,692)	
Other Postemployment Benefits	(42,555,071)	
Deferred Outflows - OPEB	10,525,147	
Deferred Inflows - OPEB	(16,358,811)	
Compensated Absences	(3,215,924)	(83,340,678)
Total Net Position (Deficit)		$ (8,329,644)

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	Special Aid	Capital	Total
Revenues				
Real Property Taxes	$ 36,697,316	$	$	$ 36,697,316
Other Real Property Tax Items	638,875			638,875
School Tax Relief Reimbursement	2,450,879			2,450,879
Charges for Services	13,170			13,170
Use of Money and Property	477,210			477,210
Sale of Property and Compensation for Loss	2,635			2,635
Miscellaneous	182,083			182,083
State Aid	23,875,431	599,396		24,474,827
Federal Aid	60,385	2,005,781		2,066,166
Total Revenues	64,397,984	2,605,177		67,003,161
Expenditures				
General Support	5,547,580			5,547,580
Instruction	36,499,327	2,585,143		39,084,470
Pupil Transportation	4,136,125	214,938		4,351,063
Community Service	59,682			59,682
Employee Benefits	13,088,841	865		13,089,706
Capital Outlay			2,725,773	2,725,773
Debt Service - Principal	1,750,087			1,750,087
Debt Service - Interest	878,869			878,869
Total Expenditures	61,960,511	2,800,946	2,725,773	67,487,230
Excess (Deficit) Revenues Over Expenditures	2,437,473	(195,769)	(2,725,773)	(484,069)
Other Financing Sources (Uses)				
Transfers from Other Funds	29,637	195,769	1,950,000	2,175,406
Transfers to Other Funds	(2,145,769)		(29,637)	(2,175,406)
Total Other Financing Sources (Uses)	(2,116,132)	195,769	1,920,363	
Excess Revenues Over Expenditures and Other Financing Sources	321,341		(805,410)	(484,069)
Fund Balance, Beginning of Year	15,992,648		3,495,077	19,487,725
Fund Balance, End of Year	$ 16,313,989	$	$ 2,689,667	$ 19,003,656

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Changes in Fund Balance - Total Governmental Funds		$ (484,069)
Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation expense for the period.		
Loss on Disposal of Equipment	(331)	
Depreciation Expense	(3,496,684)	
Capital Outlays	2,763,513	(733,502)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of the repayments of Debt.		
Repayment of Serial Bond Principal	1,110,000	
Repayment of Capital Lease Principal	640,087	
Accrued Interest Expense	26,760	
Amortization of Serial Bond Premium	167,250	1,944,097
Certain revenues expenses in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Net Change in OPEB Liability (Including Deferred Outflows and Deferred Inflows)	(1,234,979)	
Change in Workers' Compensation Expense	9,233	
Change in Pension Expense	597,615	
Net Change in Compensated Absences Liability	(370,686)	(998,817)
Change in Net Position Governmental Activities		$ (272,291)

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Custodial
Assets	
Taxes Receivable	$ 724,488
Total Assets	$ 724,488
Liabilities	
Due to Other Governments	$ 724,488
Total Liabilities	$ 724,488

The Accompanying Notes are an Integral Part of These Financial Statements.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
June 30, 2025

	Custodial
Additions	
Tax Collections for Other Governments	$ 35,481,182
Total Additions	35,481,182
Deductions	
Payments of Tax to Other Governments	35,481,182
Total Deductions	35,481,182
Change in Net Position	
Total Net Position, Beginning of Year	
Total Net Position, End of Year	$

The Accompanying Notes are an Integral Part of These Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Valley Stream Union Free School District Thirteen (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 7 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 School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon 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 basic financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability.

Joint Venture

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

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

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

During the year ended June 30, 2025, the School District was billed $3,466,195 for BOCES' administrative and program costs.

Financial statements for the Nassau County BOCES are available from the BOCES Administrative Offices at 71 Clinton Road, Garden City, New York 11550.

Basis of Presentation

(a) District-Wide Statements

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

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

(b) Fund Financial Statements

The fund statements provide information about the School District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All funds of the School District are displayed as major funds. The School District reports the following major governmental funds:

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Fund

This fund is used to account for and report custodial activities. Custodial activities are those in which the School District acts as agent 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 School District, and are not available to be used. There is one class of custodial funds:

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent or amounts collected and paid to other governments.

Measurement Focus and Basis of Accounting

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 School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for long-term debt, other postemployment benefit obligations and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien on October 1. Taxes are collected during the period October 1 to June 15. The County subsequently enforces uncollected real property taxes. Generally, the County pays an amount representing uncollected real property to the School District no later than June 30; however at June 30, 2025, the School District had a receivable of $811,531 for the remaining balance due from the County.

Interfund Transactions

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School 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 the transfer of expenditure and revenues to provide financing or other services.

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions during the year ended June 30, 2025, is shown in Note 8 to the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, other postemployment benefits, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. 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 United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Receivables

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

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2004. For assets acquired prior to July 1, 2004, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. The School District uses a capitalization threshold of $5,000, (the dollar value above which asset acquisitions are added to the capital asset accounts). Depreciation methods and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Lives	Method
Land Improvements	20 Years	Straight Line
Furniture, Equipment, and Vehicles	5-20 Years	Straight Line
Buildings and Improvements	50 Years	Straight Line

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and difference during the measurement period between the School District's contributions and its proportionate share of total contributions not included in pension expense. The second item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability (ERS and TRS System) and difference during the measurement periods between the School District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

Compensated Absences

The School District's employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

In accordance with GASB, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end, and includes salary-related payments such as applicable employer payroll taxes.

In the fund financial statements, a liability is reported only for amounts that have matured—typically when payment is due upon resignation, retirement, or other termination—based on expendable and available financial resources.

Other Benefits

School District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the School District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if School District employees are eligible for these benefits if they reach normal retirement age while working for the School District. Health care 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 School District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 11).

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Equity Classifications

(a) District-wide Financial 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 or improvements of those assets.

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

Unrestricted Net Position – reports the balance of the net position that does not meet the definition of the above classifications and is deemed to be available for general use by the School District.

(b) Fund Statements

The School District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The School District does not have any non-spendable amounts at June 30, 2025.

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the School District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both Restricted and Unrestricted Net Positions are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Reserve for Workers' Compensation*** - This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Within 60 days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

- ***Unemployment Insurance Reserve*** - According to General Municipal Law §6-m, must be 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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

- ***Reserve for Employee Benefit Accrued Liability*** - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

- ***Property Loss Reserve and Liability Reserve*** - Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. These reserves are accounted for in the General Fund.

- ***Retirement Contribution Reserve*** **-** According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.
- ***Capital Reserve*** **-** According to Education Law §3651, this reserve must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund required 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. Expenditures 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. This reserve is accounted for in the General Fund.

Unrestricted Resources

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

- ***Committed*** **-** Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.
- ***Assigned*** **-** Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) a body (budget or finance committee, for example) or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than the capital projects fund, are classified as assigned fund balance. The amount appropriated for the subsequent year's budget of the general fund is also classified as assigned fund balance in the general fund.
- ***Unassigned*** – Includes all other fund net assets that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

New Accounting Standards

Effective for the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the District recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The District applied the provisions of GASB 101 prospectively as of July 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of beginning net position was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in Note 15.

GASB Statement No. 102, Certain Risk Disclosures, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. This standard is effective for fiscal years beginning after June 15, 2024.

Future Changes in Accounting Standards

- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026.

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

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared to Net Position of Governmental Activities

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

Statement of Revenues, Expenditures, and Changes in Fund Balance Compared to Statement of Activities

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

(a) Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

(e) Pension Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. At June 30, 2025 the School District's fund balance was 4.00% of the 2025-2026 budget.

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law).

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison for the Special Revenue Funds (if any) reflects budgeted and actual amounts only for funds with legally authorized (appropriated) budgets.

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 reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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 School District's name.

As of June 30, 2025, the School District's bank balances of $20,796,790 were fully collateralized by FDIC and securities held by an agent of the pledging financial institution in the School District's name and were not exposed to custodial credit risk.

5. INVESTMENT POOL

The School District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The following amounts are included as unrestricted cash equivalents:

Fund	Fair Value	Carrying Amount
General	$ 3,826,341	$ 3,826,341
Capital	$ 18,158	$ 18,158

These amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. The investment pool issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to MBIA/CLASS, 113 King Street, Armonk, New York 10504.

6. DUE FROM OTHER GOVERNMENTS

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

General Fund	
New York State – General Aid and Excess Cost Aid	$ 494,212
BOCES Aid	347,361
Out of District Tuition/Services	120,567
Total General Fund	962,140
Special Aid Fund	
Federal and State Grants	1,823,153
Capital Fund	500,632
Total	$ 3,285,925

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 1,370,184	$	$	$ 1,370,184
Construction in Progress	3,043,079	2,725,773	331,433	5,437,419
Total	4,413,263	2,725,773	331,433	6,807,603
Capital Assets Being Depreciated				
Land Improvements	2,281,018			2,281,018
Buildings and Improvements	61,731,235	342,177		62,073,412
Furniture, Equipment and Vehicles	2,995,747	26,996	10,575	3,012,168
Total	67,008,000	369,173	10,575	67,366,598
Accumulated Depreciation				
Land Improvements	2,202,674	8,460		2,211,134
Buildings and Improvements	18,485,373	3,331,870		21,817,243
Furniture, Equipment and Vehicles	2,035,365	156,354	10,244	2,181,475
Total	22,723,412	3,496,684	10,244	26,209,852
Net Capital Assets Being Depreciated	44,284,588	(3,127,511)	331	41,156,746
Net Capital Assets	$ 48,697,851	$ (401,738)	$ 331,764	$ 47,964,349

Depreciation expense of $3,496,684 was allocated based on estimated usage by function as follows:

Function/Program	
General Support	$ 461,345
Instruction	3,035,339
Total Depreciation	$ 3,496,684

8. INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 909,427	$	$	$ 2,145,769
Special Aid		1,833,907	195,769	
Capital	924,480		1,950,000	
Total	$ 1,833,907	$ 1,833,907	$ 2,145,769	$ 2,145,769

- The School District transferred $195,769 from the General Fund to the Special Aid Fund, as a required local match for Federal and State grants.
- The School District made a transfer of $1,950,000 of local appropriations from the General Fund to the Capital Projects Fund for 2024-2025 voter approved capital projects.

9. NON-CURRENT LIABILITIES

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy 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 for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide statements. Interest associated with long-term debt is recorded as expenditure when such amounts are due.

Long-term liability balances and activity are as follows:

Description	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital Lease - Energy Performace Contract	$ 2,048,748	$	$ 390,514	$ 1,658,234	$ 399,903
Capital Lease - Energy Performace Contract	2,580,192		249,573	2,330,619	258,131
Serial Bond	25,860,000		1,110,000	24,750,000	1,165,000
Unamortized Bond Premium	2,676,000		167,250	2,508,750	
Other Liabilities					
Compensated Absences	2,845,238	370,686		3,215,924	464,368
Workers' Compensation	707,925		9,233	698,692	
Net Pension Liability Proportionate Share	3,120,325	420,959	1,575,651	1,965,633	
Other Postemployment Benefits	45,774,528	5,468,857	8,688,314	42,555,071	
Total Long Term Liabilities	$ 85,612,956	$ 6,260,502	$ 12,190,535	$ 79,682,923	$ 2,287,402

Serial Bonds

The School 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. The long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Capital Lease – Energy Performance Contract (EPC)

The School District entered into an energy performance contract during the year ended June 30, 2015. The contract is defined in Section 9-102(4) of the New York State Energy Law as: "an agreement for the provision of energy services, including but not limited to electricity, heating, ventilation, cooling, steam, or hot water, in which a person agrees to install, maintain, or manage energy systems or equipment to improve the energy efficiency of, or produce energy in connection with a building or facility in exchange for a portion of the energy savings or revenues." The contract is accounted for as a capital lease with an interest rate of 2.39%. The total net present value of the lease at June 30, 2025, is $1,658,234.

The School District entered into an energy performance contract during the year ended June 30, 2018. The contract is defined in Section 9-102(4) of the New York State Energy Law as: "an agreement for the provision of energy services, including but not limited to electricity, heating, ventilation, cooling, steam, or hot water, in which a person agrees to install, maintain, or manage energy systems or equipment to improve the energy efficiency of, or produce energy in connection with a building or facility in exchange for a portion of the energy savings or revenues." The contract is accounted for as a capital lease with an interest rate of 3.40%. The total net present value of the lease at June 30, 2025, is $2,330,619.

Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
2020 Serial Bond	09/20	$ 28,440,000	03/24	2.00-5.00	$ 24,750,000
2018 Energy Performance Contract	06/18	$ 3,709,300	02/33	3.40	$ 2,330,619
2014 Energy Performance Contract	07/14	$ 5,417,700	01/29	2.39	1,658,234
					$ 28,738,853

Future Debt Service on Serial Bonds Payable is as follows:

	Serial Bond Payable		
	Principal	Interest	Total
2026	$ 1,165,000	$ 689,725	$ 1,854,725
2027	1,225,000	629,975	1,854,975
2028	1,290,000	567,100	1,857,100
2029	1,355,000	500,975	1,855,975
2030-2034	7,590,000	1,682,200	9,272,200
2035-2039	8,485,000	794,950	9,279,950
2040-2041	3,640,000	73,200	3,713,200
Total	$ 24,750,000	$ 4,938,125	$ 29,688,125

Future debt service on the capital leases payable is as follows:

	Capital Lease Payable		
	Principal	Interest	Total
2026	$ 658,034	$ 114,322	$ 772,356
2027	676,500	95,856	772,356
2028	695,500	76,856	772,356
2029	715,051	57,305	772,356
2030-2033	1,243,768	97,019	1,340,787
Total	$ 3,988,853	$ 441,358	$ 4,430,211

Total interest for the year was as follows:

Interest Paid - Serial Bonds and EPC	$ 878,869
Amortized Premiums on Bonds	(167,250)
Less: Interest Accrued in the Prior Year	(317,116)
Plus: Interest Accrued in the Current Year	290,356
Total Interest Expense on Long-Term Debt	$ 684,859

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

The Legislature is also required to prescribe the manner by which such ratio shall be determined by such authority. At June 30, 2025, the School District was in compliance with its statutory debt limit.

10. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The Net Position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL).

Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244 or found at www.osc.ny.us/retire/publications/index.php.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 9, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012, must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2025, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2023	$ 576,940
2024	496,875
2025	609,352

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the School District reported a liability of $1,965,633 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the School District's proportion was 0.0114643%, which was an increase of .0009735 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $502,986. At June 30, 2025, the School District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 487,883	$ 23,014
Change of Assumptions	82,435	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	154,218	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	235,035	66,524
Contributions Subsequent to the Measurement Date	203,974	
Total	$ 1,163,545	$ 89,538

Amounts reported as deferred outflows of resources related to pension resulting from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2026	$ 386,327
2027	552,326
2028	(124,547)
2029	55,927

(d) Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2024 valuation were as follows:

Investment Rate of Return (Net of Investment Expense, including Inflation)	5.90%
Cost of Living Adjustments	1.50% Annually
Salary Scale	4.30%
Decrement Tables	April 1, 2015 - March 31,2020 System's Experience
Inflation Rate	2.90%

Annuitant mortality rates were based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2024 valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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 returns net of investment expense 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.00%	3.54%
International Equity	14.00%	6.57%
Private Equity	15.00%	7.25%
Real Estate	12.00%	4.95%
Oportunistic/Absolute Return Strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real Assets	4.00%	5.55%
Fixed Income	22.00%	2.00%
Cash	1.00%	0.25%
	100.00%	

(e) Discount Rate

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

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

The following presents the School District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.90 percent, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90 percent) or 1-percentage-point higher (6.90 percent) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate Share of the Net Pension (Asset) Liability	$ 5,688,788	$ 1,965,633	$ (1,143,205)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of $203,974 at June 30, 2025. This amount represents the three months of the School District’s fiscal year that will be covered in the ERS 2025-2026 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers’ Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers’ Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor’s approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The system’s financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org or obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible

Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	Amount
2023	$ 2,618,505
2024	2,520,120
2025	2,753,712

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the School District reported an asset of $4,034,844 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportion was 0.135234 percent, which was a decrease of .002548 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized a pension expense of $2,293,401. June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 4,344,786	$
Changes of Assumptions	2,413,654	405,999
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		4,483,056
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	331,888	55,174
Contributions Subsequent to the Measurement Date	2,753,712	
Total	$ 9,844,040	$ 4,944,229

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset/liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

Year Ended June 30:	Amount
2025	$ (2,005,146)
2026	4,990,643
2027	(760,952)
2028	(852,743)
2029	560,450
Thereafter	213,847

(d) Actuarial Assumptions

The total pension liability at the June 30, 2024 measurement date was determined by using an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The actuarial valuation used the following actuarial assumptions:

Investment Rate of Return	6.95%
Salary Scale	Rates of Increase Differ Based on Service. They Have Been Calculated Based Upon Recent NYSTRS Member Experience.

Age	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% Compounded Annually.
Inflation Rate	2.40%

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP 2021 for June 30, 2024, applied on a generational basis.

The demographic actuarial assumptions and the salary scale are based on results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.6%
International equity	15.0%	7.4%
Global equity	4.0%	6.9%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.0%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.5%
Private debt	2.0%	5.9%
Real estate debt	6.0%	3.9%
High-yield bonds	1.0%	4.8%
Cash equivalents	1.0%	0.5%
	100.0%	

** Real rates of return are net of pension plan investment expenses and long-term information expectations.*

(e) Discount Rate

The discount rate used to calculate the pension liability (asset) was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate Share of the Net Pension (Asset) Liability	$ 18,637,178	$ (4,034,844)	$ (23,102,623)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS was $2,753,712 (excluding employees' share) in the General Fund at June 30, 2025. This amount represents the School District's contribution for the 2024-2025 fiscal year that will be made in 2025-2026 and has been recognized as an expense in the current year.

11. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Descriptions

The School District provides postemployment health insurance benefits to eligible retirees and their covered dependents. The School District contributes 50% towards the cost of individual insurance premiums and 35% of the cost difference between individual and family premiums. The School District also reimburses retirees and covered spouses Medicare Part B premiums. The amount of reimbursement varies depending on the date the retiree turned 65. The benefits provided to employees upon retirement are based upon provisions in various contracts that the School District has in place with different classifications of employees. All active employees who reach the age of 55 with at least 10 years of service from the School District will participate.

The Plan does not issue a standalone publicly available report since there are no assets accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

The School District provides medical and prescription drug benefits to its eligible retirees. Dental, vision, and life insurance benefits are available with select classes of employees. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements. The Plans can be amended by action of the School District through agreements with the bargaining units.

(c) Employees Covered by Benefit Terms

	Total
Active employees	267
Retired and surviving spouses currently receiving benefits	163
Total	430

(d) Total OPEB Liability

The District's total OPEB liability of $42,555,071 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

(e) Changes in the Net OPEB Liability

	Total OPEB Liability
Balances, June 30, 2024	$ 45,774,528
Changes recognized for the year:	
Service cost	1,813,592
Interest on total OPEB liability	1,843,816
Effect of demorgraphic gains or losses	1,811,449
Effect of assumption changes or inputs	(7,331,885)
Benefit payments	(1,356,429)
Net changes	(3,219,457)
Balances, June 30, 2025	$ 42,555,071

(f) Sensitivity of the total OPEB liability to change 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 percent) or 1 percentage point higher (6.20 percent) than the current discount rate (5.20 percent):

	1% Decrease 4.20%	Current Assumption 5.20%	1% Increase 6.20%
Total OPEB liability	$ 49,233,156	$ 42,555,071	$ 37,131,544

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	$ 36,178,117	$ 42,555,071	$ 50,669,164

(h) 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 credit of $1,234,979. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,944,291	$ 2,635,774
Changes of assumptions	7,580,856	13,723,037
Total	$ 10,525,147	$ 16,358,811

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2026	$ (1,066,000)
2027	(872,262)
2028	(1,194,646)
2029	(1,171,793)
2030	(90,006)
Thereafter	(1,438,957)

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024 rolled forward to June 30, 2025, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Assumptions	
Valuation Date	July 1, 2024
Measurement Date	June 30, 2025
Reporting Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Discount Rate	5.20%
Mortality	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.

12. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the governmental fund's Balance Sheet:

	General	Capital	Total
Restricted			
Workers' Compensation Reserve	$ 681,145	$	$ 681,145
Unemployment Insurance	515,375		515,375
Employee Benefit Accrued Liability	3,352,427		3,352,427
Retirement Contribution			
Employees' Retirement System	3,351,253		3,351,253
Teachers' Retirement System	1,300,334		1,300,334
Property Loss and Liability	182,804		182,804
Capital Reserve	2,454,157		2,454,157
Capital Project		2,689,667	2,689,667
Total Restricted	11,837,495	2,689,667	14,527,162
Assigned			
Encumbrances	14,354		14,354
Appropriated for Subsequent Year's Budget	1,675,000		1,675,000
Total Assigned	1,689,354		1,689,354
Unassigned	2,787,140		2,787,140
Total Fund Balance	$ 16,313,989	$ 2,689,667	$ 19,003,656

(b) The following is a summary of the change in general fund restricted funds during the year ended June 30, 2025:

Reserve	Balance at July 01, 2024	Additions	Amounts Expended	Balance at June 30, 2025
Workers' Compensation	$ 517,438	$ 163,707	$	$ 681,145
Unemployment Insurance	502,075	13,300		515,375
Employee Benefit Accrued Liability	2,924,947	427,480		3,352,427
Retirement Contribution				
Employee Retirement System	3,264,771	86,482		3,351,253
Teacher's Retirement System	1,023,230	277,104		1,300,334
Liability	178,087	4,717		182,804
Capital Reserve	3,022,068	632,089	1,200,000	2,454,157
Total	$ 11,432,616	$ 1,604,879	$ 1,200,000	$ 11,837,495

13. COMMITMENTS AND CONTINGENCIES

Risk Financing and Related Insurance

(a) General Information

The Valley Stream Union Free School District Thirteen 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 commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

(b) Pool, Risk Retained

The School District participates in the Nassau County Schools Cooperative Self Insured Plan for Workers' Compensation, a risk sharing pool, to insure Workers' Compensation claims. This is a public school entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The School District's share of the total liability was $698,692.

(c) Pool, Non-Risk Retained

The School District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its employee health and School District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of the $5,000 limit, and the School District has essentially transferred all related risk to the pool.

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

14. NET POSITION DEFICIT – DISTRICT - WIDE

The District-wide Net Position had total net position deficit of $8,329,644. The deficit is primarily the result of the recognition of an unfunded liability for OPEB of $42,555,071 at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

15. CUMULATIVE EFFECT OF IMPLEMENTING CHANGE IN ACCOUNTING PRINCIPLE

As the result of implementing GASB Statement No. 101, *Compensated Absences*, the District has restated the beginning net position in the Statement of Net Position for Government Activities, effectively decreasing net position as of July 1, 2024 by $344,191. The decrease results from restating its non-current term liabilities to reflect the additional liability for compensated absences required by this implementation.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN

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	$ 39,148,195	$ 36,697,316	$ 36,697,316	$
Other Real Property Tax Items	610,886	610,886	638,875	27,989
State Tax Relief Reimbursement		2,450,879	2,450,879	
Charges for Services			13,170	13,170
Use of Money and Property	401,000	401,000	477,210	76,210
Sale of Property and Compensation for Loss			2,635	2,635
Miscellaneous	156,000	156,000	182,083	26,083
State Aid	24,254,993	24,254,993	23,875,431	(379,562)
Federal Aid	150,000	150,000	60,385	(89,615)
Total Revenues	64,721,074	64,721,074	64,397,984	(323,090)
Other Financing Sources				
Transfers from Other Funds			29,637	29,637
Appropriated Fund Balance	2,683,421	3,889,300		(3,889,300)
Total Revenues and Other Financing Sources	$ 67,404,495	$ 68,610,374	64,427,621	$ (4,182,753)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 91,816	$ 91,816	$ 84,207	$	$ 7,609
Central Administration	404,170	404,170	393,455	1,075	9,640
Finance	983,350	1,133,350	1,028,227		105,123
Staff	423,075	432,575	403,393		29,182
Central Services	4,232,036	4,232,036	2,995,589	4,657	1,231,790
Special Items	682,157	682,157	642,709		39,448
Total General Support	6,816,604	6,976,104	5,547,580	5,732	1,422,792
Instruction					
Instruction, Administration, and Improvement	1,932,360	1,910,538	1,754,176	906	155,456
Teaching - Regular School	18,097,588	18,123,741	17,681,051	2,622	440,068
Programs for Children With Special Needs	12,613,458	12,613,458	13,045,718	771	(433,031)
Teaching - Special School	341,221	340,871	147,340		193,531
Instructional Media	2,085,232	2,085,732	2,039,177	4,323	42,232
Pupil Services	2,000,262	2,000,262	1,831,865		168,397
Total Instruction	37,070,121	37,074,602	36,499,327	8,622	566,653
Pupil Transportation	4,756,456	4,757,854	4,136,125		621,729
Community Services	100,000	100,000	59,682		40,318
Employee Benefits	15,177,344	15,017,844	13,088,841		1,929,003
Debt Service - Principal	1,750,095	1,750,095	1,750,087		8
Debt Service - Interest	878,875	878,875	878,869		6
Total Expenditures	66,549,495	66,555,374	61,960,511	14,354	4,580,509
Other Financing Uses					
Transfers to Other Funds	855,000	2,055,000	2,145,769		(90,769)
Total Expenditures and Other Financing Uses	$ 67,404,495	$ 68,610,374	64,106,280	$ 14,354	$ 4,489,740
Net Change in Fund Balance			321,341		
Fund Balance - Beginning of Year			15,992,648		
Fund Balance - End of Year			$ 16,313,989		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

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

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
SCHEDULE OF CHANGES IN THE DISTRICTS
TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2025

Measurement Date	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	$ 1,813,592	$ 1,668,609	$ 1,286,709	$ 1,882,909	$ 1,664,924	$ 1,292,571	$ 1,664,453	$ 1,552,171
Interest on Total OPEB Liability	1,843,816	1,703,638	1,280,862	948,405	971,316	1,224,000	1,195,360	1,134,007
Effect of Demographic Gains or Losses	1,811,449		1,975,750		(6,014,969)	0	410,752	
Effect of Assumption Changes or Inputs	(7,331,885)	(2,011,070)	6,693,847	(8,979,492)	3,980,494	6,945,447	(6,934,385)	
Differences Between Expected and Actual Experience								30,995
Benefit Payments	(1,356,429)	(1,175,572)	(1,078,801)	(887,237)	(839,050)	(867,758)	(810,080)	(759,126)
Net Change in Total OPEB Liability	(3,219,457)	185,605	10,158,367	(7,035,415)	(237,285)	8,594,260	(4,473,900)	1,958,047
Total OPEB Liability - Beginning of Year	45,774,528	45,588,923	35,430,556	42,465,971	42,703,256	34,108,996	38,582,896	36,624,849
Total OPEB Liability - End of Year	$ 42,555,071	$ 45,774,528	$ 45,588,923	$ 35,430,556	$ 42,465,971	$ 42,703,256	$ 34,108,996	$ 38,582,896
Covered Employee Payroll	$ 28,455,872	$ 26,344,793	$ 26,344,793	$ 26,419,940	$ 26,419,940	$ 24,604,531	$ 24,604,531	$ 26,970,295
Total OPEB Liability as a Percentage of Covered Payroll	149.55%	173.75%	173.05%	134.11%	160.73%	173.56%	138.63%	143.06%

Notes to Required Supplementary Information:

Changes of Assumptions: Discount rate increased from 3.93% to 5.20%.

Actuarial Assumptions: The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 11 to the financial statements.

Plan Assets: No assets are accumulated in a trust that meets all of the following criteria of GASB No. 75, paragraph 4, to pay benefits.

*Information is presented only for the years available.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
SCHEDULE OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2025

ERS Pension Plan
Last 10 Fiscal Years Available

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 609,352	$ 496,875	$ 576,940	$ 499,750	$ 582,810	$ 508,739	$ 530,690	$ 536,121	$ 596,526	$ 705,456
Contributions in Relation to the Contractually Required Contribution	609,352	496,875	576,940	499,750	582,810	508,739	530,690	536,121	596,526	705,456
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 4,615,722	$ 4,390,982	$ 4,225,645	$ 4,120,864	$ 4,002,067	$ 3,970,092	$ 3,789,673	$ 3,854,114	$ 3,727,771	$ 3,531,519
Contributions as a Percentage of Covered-Employee Payroll	13.20%	11.32%	13.65%	12.13%	14.56%	12.81%	14.00%	13.91%	16.00%	19.98%

TRS Pension Plan
Last 10 Fiscal Years Available

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 2,753,712	$ 2,520,120	$ 2,618,505	$ 2,464,221	$ 2,321,749	$ 2,102,142	$ 2,477,915	$ 2,271,705	$ 2,647,046	$ 2,875,240
Contributions in Relation to the Contractually Required Contribution	2,753,712	2,520,120	2,618,505	2,464,221	2,321,749	2,102,142	2,477,915	2,271,705	2,647,046	2,875,240
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 27,237,507	$ 25,820,902	$ 25,447,085	$ 25,145,112	$ 24,362,529	$ 23,726,208	$ 23,332,533	$ 23,180,663	$ 22,585,717	$ 21,683,560
Contributions as a Percentage of Covered-Employee Payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

Information is presented only for years available.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
For the Year Ended June 30, 2025

ERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension (liability)	0.0114643%	0.0104908%	0.0113149%	0.0117989%	0.0122570%	0.0113695%	0.0116969%	0.0126705%	0.0121268%	0.0128713%
District's proportionate share of the net pension (liability)	$ (1,965,633)	$ (1,544,674)	$ (2,426,368)	$ 964,513	$ (12,205)	$ (3,010,714)	$ (828,763)	$ (408,934)	$ (1,139,459)	$ (2,065,887)
District's covered-employee payroll	$ 4,615,722	$ 4,390,982	$ 4,225,645	$ 4,120,864	$ 4,002,067	$ 3,970,092	$ 3,789,673	$ 3,854,114	$ 3,727,771	$ 3,531,519
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	42.59%	35.18%	57.42%	-23.41%	0.30%	75.83%	21.87%	10.61%	30.57%	58.50%
Plan fiduciary net position as a percentage of total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.30%	98.24%	94.70%	90.70%

TRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the net pension asset/liability	0.135234%	0.137782%	0.141940%	0.143539%	0.139787%	0.139786%	0.142310%	0.142526%	0.140519%	0.139900%
District's proportionate share of the net pension asset (liability)	$ 4,034,844	$ (1,575,651)	$ (2,723,681)	$ 24,873,920	$ (3,862,680)	$ 3,631,656	$ 2,573,335	$ 1,083,341	$ (1,505,022)	$ 14,531,199
District's covered-employee payroll	$ 25,820,902	$ 25,447,085	$ 25,145,112	$ 24,362,529	$ 23,726,208	$ 23,332,533	$ 23,180,663	$ 22,585,717	$ 21,683,560	$ 19,461,209
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	-15.63%	6.19%	10.83%	-102.10%	16.28%	-15.56%	-11.10%	-4.80%	-6.94%	74.67%
Plan fiduciary net position as a percentage of total pension asset/liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

Information is presented only for years available.

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2025

Change from Adopted Budget to Final Budget

Adopted Budget		$ 67,396,074
Add: Prior Year's Encumbrances		8,421
Original Budget		67,404,495
Add: Additional Appropriated Reserves		1,200,000
Donation		5,879
Final Budget		$ 68,610,374

Section 1318 of Real Property Tax Law Limit Calculation

2025-26 voter-approved expenditure budget		$ 69,678,502
Maximum allowed (4% of 2025-26 budget)		$ 2,787,140
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	$ 1,689,354	
Unassigned fund balance	2,787,140	
Total Unrestricted fund balance	4,476,494	
Less:		
Appropriated fund balance	1,675,000	
Encumbrances included in committed and assigned fund balance	14,354	
Total adjustments	1,689,354	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,787,140
Actual Percentage		4.00%

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Balance June 30, 2025
2016-17 Local Appropriation	50,000	49,747	44,421	5,326	49,747				49,747	49,747	
2017-18 Local Appropriation	484,926	62,795		62,795	62,795				62,795	62,795	
2018-19 Local Appropriation		692,820		484,602	484,602	208,218			692,820	692,820	208,218
2019-20 Local Appropriation		698,279		698,279	698,279				698,279	698,279	
2020-21 Local Appropriation	125,000	700,000	125,000	20,315	145,315	554,685			700,000	700,000	554,685
2021-22 Local Appropriation	207,888	219,820	219,820		219,820				219,820	219,820	
2022-23 Local Appropriation	400,000	425,543	326,396	20,047	346,443	79,100			425,543	425,543	79,100
2023-24 Local Appropriation	921,895	1,196,895	351,651	691,152	1,042,803	154,092			1,196,895	1,196,895	154,092
2024-25 Local Appropriation	750,000	750,000		27,000	27,000	723,000			750,000	750,000	723,000
Smartschool Bond Project	751,877	840,379	802,758		802,758	37,621		467,207		467,207	(335,551)
Capital Reserve-2020	600,000	598,178	525,522	72,656	598,178				600,000	600,000	1,822
Capital Reserve-2021	560,000	541,185	560,664	(19,479)	541,185				569,000	569,000	27,815
Capital Reserve-2022	2,440,000	2,485,000	2,415,797	9,885	2,425,682	59,318			2,485,000	2,485,000	59,318
Capital Reserve-2024	700,000	700,000		653,195	653,195	46,805			700,000	700,000	46,805
Capital Reserve-2025	1,200,000	1,200,000				1,200,000			1,200,000	1,200,000	1,200,000
										Transfer to General Fund	(29,637)
Totals	$ 9,191,586	$ 11,160,641	$ 5,372,029	$ 2,725,773	$ 8,097,802	$ 3,062,839	$	$ 467,207	$ 10,349,899	$ 10,817,106	$ 2,689,667

VALLEY STREAM UNION FREE SCHOOL DISTRICT THIRTEEN
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2025

Capital Assets, Net	$	47,964,349
Add:		
Capital Fund Fund Balance		2,689,667
Deduct:		
Serial Bonds Payable		24,750,000
Premium on Bonds Payable		2,508,750
Capital Lease Payable		3,988,853
		31,247,603
Net Investment in Capital Assets	$	19,406,413

See Independent Auditor's Report.