HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Hewlett-Woodmere Union Free School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Hewlett-Woodmere Union Free School District (the "District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2025, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and schedule of changes in the District's total other post-employment benefits liability and related ratios on pages 1 through 18 and 65 through 69, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP
Islandia, New York
October 22, 2025

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following is a discussion and analysis of the Hewlett-Woodmere Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current fiscal year are discussed in comparison with the prior fiscal year, with an emphasis placed on the current fiscal year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

- On the District-Wide Financial Statements, revenues decreased by 0.72%, mainly due to decreases in real property taxes and other tax items, use of money and property, and other miscellaneous revenues, partially offset by increases in charges for services, operating grants and contributions, and state sources.

- On the District-Wide Financial Statements, expenses decreased by 0.05%, primarily due to a decrease in instruction, partially offset by increases in general support and pupil transportation. The changes in expenses include the effects of the actuarial valuations for the pension systems and other post-employment benefits obligation.

- The District's total net position, as reflected in the District-Wide Financial Statements, increased by $4,057,143 to a total net position of $70,460,551.

- On the Fund Financial Statements, the District's fund balance in the general fund decreased by $1,013,227 due to expenditures and other financing uses exceeding revenues, other financing sources, and special item based on the modified accrual basis of accounting.

- On May 20, 2025, the proposed 2025-2026 general fund budget in the amount of $143,082,665 was authorized by the District's residents. This is an increase of $4,587,973, or 3.31%, over the previous fiscal year's budget. The increase was primarily due to increases in personnel, employee benefits, instruction, and special education costs.

- The District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective July 1, 2024. See the accompanying notes to financial statements for additional information regarding the effects of the change in accounting principle.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

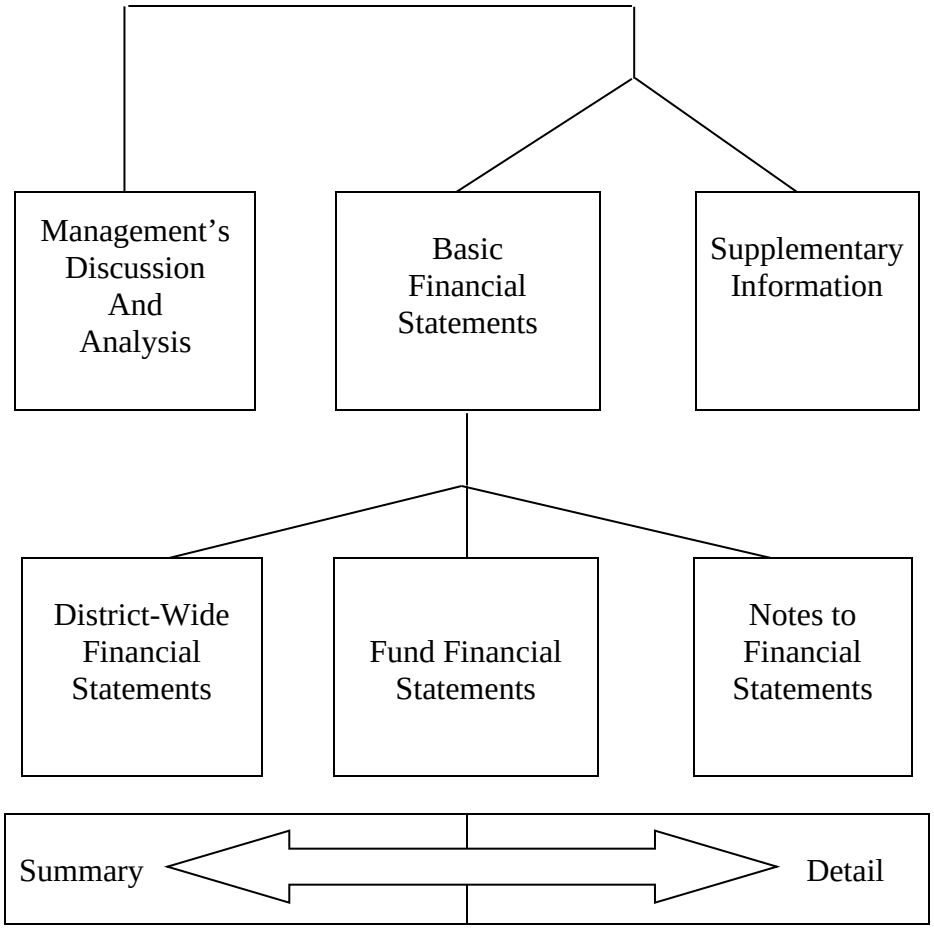
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

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

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

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

Organization of the District's Annual Financial Report



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

Major Features of the District-Wide and Fund Financial Statements

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

A. District-Wide Financial Statements

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

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

- Over time, increases and decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

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

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

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

B. Fund Financial Statements

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

The District has two kinds of funds:

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

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

See the Table below for a comparison of the Statement of Net Position as of June 30, 2025 and 2024. The balances presented as of June 30, 2025 includes the effects of the implementation of GASB Statement No. 101. The balances presented as of June 30, 2024 reflect the balances as previously reported and do not reflect the effects of the change in accounting principle.

Condensed Statement of Net Position-Governmental Activities

	2025	2024	Change	Total Percentage Change
Current assets	$ 122,759,225	$ 135,977,205	$ (13,217,980)	(9.72%)
Non-current assets	117,737,465	98,368,057	19,369,408	19.69%
Total Assets	240,496,690	234,345,262	6,151,428	2.62%
Deferred outflows of resources	42,855,133	51,598,770	(8,743,637)	(16.95%)
Total Assets and Deferred Outflows of Resources	283,351,823	285,944,032	(2,592,209)	(0.91%)
Curent liabilities	15,019,282	14,466,818	552,464	3.82%
Long-term liabilities	142,434,741	157,184,900	(14,750,159)	(9.38%)
Total Liabilities	157,454,023	171,651,718	(14,197,695)	(8.27%)
Deferred inflows of resources	55,437,249	47,141,104	8,296,145	17.60%
Total Liabilities and Deferred Inflows of Resources	212,891,272	218,792,822	(5,901,550)	(2.70%)
Net Position				
Net investment in capital assets	109,071,981	95,443,150	13,628,831	14.28%
Restricted	89,707,519	95,256,957	(5,549,438)	(5.83%)
Unrestricted (deficit)	(128,318,949)	(123,548,897)	(4,770,052)	3.86%
Total Net Position	$ 70,460,551	$ 67,151,210	$ 3,309,341	4.93%

Current assets decreased by $13,217,980, or 9.72%, primarily due to decreases in cash and cash equivalents, state and federal aid receivable, due from other governments, and taxes receivable.

Non-current assets increased by $19,369,408, or 19.69%, primarily due to the increase in capital assets and changes in the actuarial valuation for the Teachers' Retirement System pension plan. Refer to the accompanying notes to financial statements for further discussion.

The change in deferred outflows of resources represents amortization of pension-related items and the amortization of deferred outflows for other post-employment benefits obligation, as discussed in the accompanying notes to financial statements.

Current liabilities increased by $552,464, or 3.82%, primarily resulting from increases in accrued liabilities, due to other governments, and due to teachers' retirement system, partially offset by decreases in accounts payable and collections in advance.

Long-term liabilities decreased by $14,750,159, or 9.38%, primarily attributable to debt principal payments made and decreases in the total other post-employment benefit obligation and net pension liability – proportionate share – teachers' retirement system due to actuarial valuations. Of note, the compensated absences payable balance included within the long-term liabilities balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101.

The change in deferred inflows of resources represents amortization of pension-related items and the amortization of deferred inflows related to other post-employment benefits obligation, as discussed in the accompanying notes to financial statements.

The net investment in capital assets relates to the investment in capital assets (at cost) and intangible lease assets (at the present value of future lease payments remaining on the lease term) such as land, in progress, buildings and building improvements, furniture and equipment, land improvements, and vehicles, net of accumulated depreciation and amortization, and related debt and capital-related accounts payable. The amount increased by $13,628,831, or 14.28%.

The restricted net position at June 30, 2025 decreased because the District's reserves and restricted fund balance amounts decreased during the fiscal year, partially offset by an increase due to the results of the actuarial valuation for the Teachers' Retirement System pension plan, which is reported as a net pension asset as of June 30, 2025.

The unrestricted deficit at June 30, 2025 of $128,318,949 relates to the balance of the District's net position. The unrestricted deficit increased by $4,770,052, or 3.86%. Of note, the unrestricted deficit balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101.

B. Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities. The activity for fiscal year 2025 reflects the effects of the implementation of GASB Statement No. 101 as detailed in the accompanying notes to financial statements. A summary of the results of operations for the fiscal years ended June 30, 2025, and 2024 is as follows:

Change in Net Position from Operating Results – Governmental Activities Only

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for services	$ 3,007,418	$ 2,704,543	$ 302,875	11.20%
Operating grants and contributions	4,782,829	4,567,760	215,069	4.71%
Capital grants	35,648	14,222	21,426	150.65%
General Revenues				
Real property taxes and other tax items	111,317,466	111,664,427	(346,961)	(0.31%)
Use of money and property	4,067,096	4,802,108	(735,012)	(15.31%)
State sources	20,640,571	20,298,915	341,656	1.68%
Other	323,283	1,164,236	(840,953)	(72.23%)
Total Revenues	144,174,311	145,216,211	(1,041,900)	(0.72%)
Expenses				
General support	20,278,282	19,354,739	923,543	4.77%
Instruction	105,060,016	107,907,448	(2,847,432)	(2.64%)
Pupil transportation	11,889,618	9,839,556	2,050,062	20.83%
Community services	1,040,158	1,110,672	(70,514)	(6.35%)
Debt service - interest	29,761	(37,848)	67,609	(178.63%)
Food service program	1,819,333	2,013,742	(194,409)	(9.65%)
Total Expenses	140,117,168	140,188,309	(71,141)	(0.05%)
Change in Net Position	$ 4,057,143	$ 5,027,902	$ (970,759)	(19.31%)

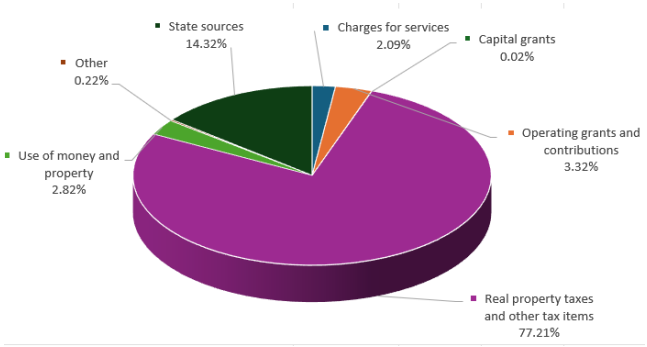
Net position, beginning of year, as previously reported	$ 67,151,210
Change in accounting principle	(747,802)
Net position, beginning of year, as restated	$ 66,403,408

The District's fiscal year 2025 revenues totaled $144,174,311. Real property taxes and other tax items, coupled with state sources, accounted for most of the District's revenue by contributing 77.21% and 14.32% of total revenues, respectively. The remainder came from charges for services, operating grants and contributions, capital grants, use of money and property, and other miscellaneous sources.

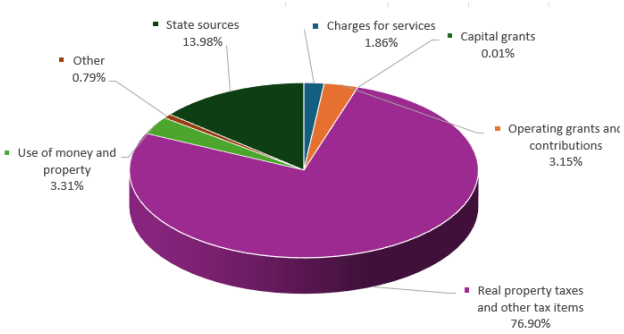
Real property taxes and other tax items decreased by $346,961, or 0.31%, due to decreases in STAR reimbursement and payments in lieu of taxes (PILOT) received. Use of money and property decreased by $735,012, or 15.31%, due to decreased interest earnings.

The total cost of all programs and services totaled $140,117,168 for fiscal year 2025. These expenses are predominantly related to instruction, which account for 74.98% of total costs. The District's general support activities accounted for 14.47% of total costs. Total expenses decreased by $71,141, or 0.05%. The changes in expenses include the results of the pension systems' and other post-employment benefits' actuarial valuations.

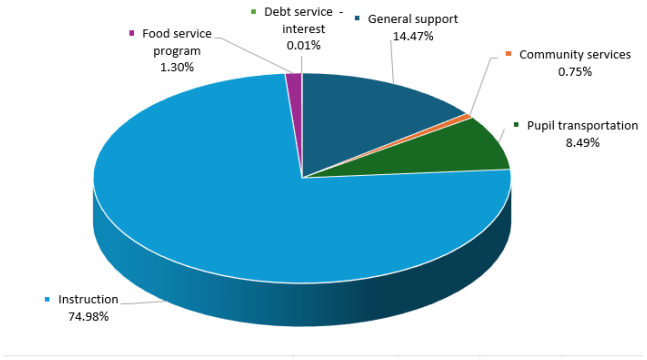
Revenues for Fiscal Year 2025



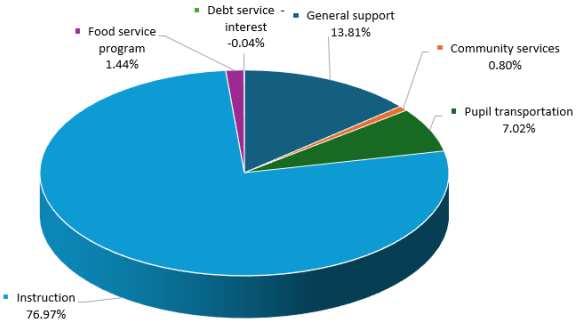
Revenues for Fiscal Year 2024



Expenses for Fiscal Year 2025



Expenses for Fiscal Year 2024



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

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

As of June 30, 2025, the District's combined governmental funds reported a total fund balance of $104,482,605, which is a decrease of $11,989,947, or 10.29%, from the prior fiscal year. See the Table on the following page for more information.

A summary of the changes in fund balances for all the funds is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
General Fund				
Restricted for workers' compensation	$ 3,849,589	$ 4,349,209	$ (499,620)	(11.49%)
Restricted for unemployment insurance	4,188,104	4,187,751	353	0.01%
Restricted for retirement contribution - ERS	23,360,375	23,951,239	(590,864)	(2.47%)
Restricted for retirement contribution - TRS	5,083,601	5,083,157	444	0.01%
Restricted for property loss	4,443,154	4,442,766	388	0.01%
Restricted for liability	4,897,035	5,402,565	(505,530)	(9.36%)
Restricted for employee benefit accrued liability	1,178,664	1,445,630	(266,966)	(18.47%)
Restricted for capital	18,123,559	13,579,968	4,543,591	33.46%
Restricted for repair	6,288,732	8,793,312	(2,504,580)	(28.48%)
Assigned - general support	19,837	494,589	(474,752)	(95.99%)
Assigned - instruction	18,860	772,767	(753,907)	(97.56%)
Assigned - pupil transportation	225	67,356	(67,131)	(99.67%)
Assigned - community services	-	12,886	(12,886)	(100.00%)
Assigned - employee benefits	-	65,285	(65,285)	(100.00%)
Unassigned	5,723,306	5,539,788	183,518	3.31%
Total fund balance - general fund	77,175,041	78,188,268	(1,013,227)	(1.30%)
School Lunch Fund				
Nonspendable	52,901	54,372	(1,471)	(2.71%)
Assigned - unappropriated	195,267	-	195,267	N/A
Unassigned (deficit)	-	(6,425)	6,425	(100.00%)
Total fund balance- school lunch fund	248,168	47,947	200,221	417.59%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	475,545	534,686	(59,141)	(11.06%)
Assigned - unappropriated	173,820	191,837	(18,017)	(9.39%)
Total fund balance - miscellaneous special revenue fund	649,365	726,523	(77,158)	(10.62%)
Capital Projects Fund				
Restricted for capital	9,628,118	21,998,613	(12,370,495)	(56.23%)
Restricted for unspent bond proceeds	49,218	49,218	-	0.00%
Assigned - unappropriated	16,731,605	13,973,922	2,757,683	19.73%
Total fund balance - capital projects fund	26,408,941	36,021,753	(9,612,812)	(26.69%)
Debt Service Fund				
Restricted for debt service	1,090	1,488,061	(1,486,971)	(99.93%)
Total fund balance - capital projects fund	1,090	1,488,061	(1,486,971)	(99.93%)
Total fund balance - all funds	$ 104,482,605	$ 116,472,552	$ (11,989,947)	(10.29%)

A) General Fund

The fund balance in the general fund decreased by $1,013,227, which is the result of expenditures and other financing uses of $143,059,013 exceeding revenues, other financing sources, and special item of $142,045,786.

A summary of changes in revenues, other financing sources, expenditures, other financing uses, and special item for the general fund for the fiscal years ended June 30, 2025 and 2024 is as follows:

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	$ 105,711,576	$ 104,917,716	$ 793,860	0.76%
Other tax items - including STAR	5,605,890	6,746,711	(1,140,821)	(16.91%)
Charges for services	1,303,976	1,232,031	71,945	5.84%
Use of money and property	4,053,593	4,576,020	(522,427)	(11.42%)
Sale of property and compensation for loss	2,028	28,003	(25,975)	(92.76%)
Miscellaneous	52,742	866,653	(813,911)	(93.91%)
State sources	20,640,571	20,298,915	341,656	1.68%
Federal sources	150,084	163,272	(13,188)	(8.08%)
Total Revenues	137,520,460	138,829,321	(1,308,861)	(0.94%)
Other Financing Sources				
Operating transfers in	1,486,971	-	1,486,971	N/A
Total Other Financing Sources	1,486,971	-	1,486,971	N/A
Special Items				
Proceeds from settlement	3,038,355	-	3,038,355	N/A
Total Special Items	3,038,355	-	3,038,355	N/A
Expenditures				
General support	16,726,478	15,138,193	1,588,285	10.49%
Instruction	74,790,889	69,567,609	5,223,280	7.51%
Pupil transportation	11,551,495	9,576,104	1,975,391	20.63%
Community services	829,319	839,972	(10,653)	(1.27%)
Employee benefits	30,290,607	28,667,814	1,622,793	5.66%
Debt service - principal	2,034,786	2,355,603	(320,817)	(13.62%)
Debt service - interest	49,839	148,212	(98,373)	(66.37%)
Total Expenditures	136,273,413	126,293,507	9,979,906	7.90%
Other Financing Uses				
Operating transfers out	6,785,600	4,163,021	2,622,579	63.00%
Total Other Financing Uses	6,785,600	4,163,021	2,622,579	63.00%
Net Change in Fund Balances	$ (1,013,227)	$ 8,372,793	$ (9,386,020)	(112.10%)

Revenues, other financing sources, and special item increased when compared to the prior fiscal year, primarily due to the following:

- Real property taxes increased due to a rise in the tax levy in accordance with the 2024-2025 voter approved budget.
- State sources increased due to the District receiving more lottery aid and excess cost aid.
- Special item increased due to the proceeds from legal settlement received during fiscal year 2025.
- In contrast to the increases noted above, other tax items decreased due to the STAR exemption not being included on new homeowner's property taxes in fiscal year 2025 and a decrease in PILOTs.

Expenditures and other financing uses increased when compared to the prior fiscal year, primarily due to the following:

- Instruction increased mainly due to the hiring of new special education teachers and the District incurring more costs in occupational education as more students attended BOCES in the current fiscal year.
- Pupil transportation increased due to additional routes needed due to higher enrollment of students in the current fiscal year.
- Employee benefits increased due to higher premium costs for medical insurance.

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Funding	Interest	Transfers/ Use	Ending Balance
Workers' compensation	$ 4,349,209	$ -	$ 380	$ (500,000)	$ 3,849,589
Unemployment insurance	4,187,751	-	353	-	4,188,104
Retirement contribution					
Employees' retirement system	23,951,239	-	2,093	(592,957)	23,360,375
Teachers' retirement system	5,083,157	-	444	-	5,083,601
Property loss	4,442,766	-	388	-	4,443,154
Liability	5,402,565	-	459	(505,989)	4,897,035
Employee benefit acrrued liability	1,445,630	412,908	126	(680,000)	1,178,664
Capital	13,579,968	4,500,000	43,591	-	18,123,559
Repair	8,793,312	500,000	768	(3,005,348)	6,288,732
Total Restricted Fund Balance	$ 71,235,597	$ 5,412,908	$ 48,602	$ (5,284,294)	$ 71,412,813

B) Special Aid Fund

The fund balance in the special aid fund remained at $0, as revenues and expenditures are recognized in equal amounts each year. Expenditures consist primarily of reimbursable grant programs, as well as a transfer from the general fund for the summer program for students with disabilities and to fund State supported Section 4201 schools. Revenues and expenditures in the special aid fund decreased primarily related to the period of performance for the District's COVID-19 American Rescue Plan (ARP) grants ending early in fiscal year 2025.

C) School Lunch Fund

The fund balance in the school lunch fund increased by $200,221. The increase is due to revenues and other financing sources of $2,015,571 exceeding expenditures of $1,815,350.

D) Miscellaneous Special Revenue Fund

The fund balance in the miscellaneous special revenue fund decreased by $77,158, primarily due to expenditures exceeding revenues for scholarships and donations and extraclassroom activities.

E) Capital Projects Fund

The fund balance in the capital projects fund decreased by $9,612,812 due to expenditures exceeding revenues and other financing sources. The District recorded $16,280,672 in capital outlays, partially offset by $4,000,000 of budgeted transfers from the general fund and $2,632,212 of voter approved transfers from the repair reserve.

D) Debt Service Fund

The fund balance in the debt service fund decreased by $1,486,971 due to a budgeted transfer to the general fund to subsidize debt service payments.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-25 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2025 was $138,494,692. This amount was increased by encumbrances carried forward from the prior fiscal year in the amount of $1,412,883, appropriation of the liability reserve of $505,989, appropriation of the employment benefit accrued liability reserve of $680,000, and appropriation of the repair reserve of $3,005,348, which resulted in a final budget of $144,098,912. The majority of the funding was derived from real property taxes and other tax items of $111,340,284.

B. Change in the General Fund Unassigned Fund Balance (Budget to Actual):

The general fund's unassigned fund balance is a component of total fund balance that is the residual of prior fiscal years' excess revenues over expenditures, net of transfers to restricted fund balances

and designations to fund subsequent fiscal years' budgets. It is this balance that is commonly referred to as "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the fiscal year compared to budget is as follows:

Opening, unassigned fund balance	$	5,539,788
Revenues and other financing sources over budget		1,605,696
Expenditures, encumbrances, and other financing uses under budget		1,000,977
Special item - Proceeds from settlement		3,038,355
Interest allocated to reserves		(48,602)
Funding of reserves		(5,412,908)
Closing, unassigned fund balance	$	5,723,306

The opening unassigned fund balance of $5,539,788 is the June 30, 2024 unassigned fund balance.

The revenues and other financing sources over budget of $1,605,696 was primarily related to real property taxes and use of money and property (see supplemental schedule for detail).

The expenditures, encumbrances, and other financing uses under budget of $1,000,977 were primarily related to general support, instruction, and pupil transportation (see supplemental schedule for detail).

The special item of $3,038,355 was related to proceeds received from a legal settlement. See the accompanying notes to the financial statements for more detail.

Interest of $48,602 was allocated to the reserves as detailed on page 13.

The District funded reserves in the amount of $5,412,908 as detailed on page 13.

The closing unassigned fund balance represents the fund balance retained by the District that is not reserved or assigned for subsequent fiscal years' taxes. NYS Real Property Tax Law 1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance was within the legal limit.

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

A. Capital Assets and Intangible Lease Assets

The District paid for equipment and various building additions and renovations during the fiscal year. A summary of the District's capital assets and intangible lease assets, net of accumulated depreciation and accumulated amortization, is as follows:

Capital Assets and Intangible Lease Assets (Net of Accumulated Depreciation and Amortization)

Category	2025	2024	Increase (Decrease)	Percentage Change
Land	$ 5,159,600	$ 5,159,600	$ -	0.00%
Construction in progress	53,398,899	37,144,162	16,254,737	43.76%
Buildings & improvements	113,991,112	113,965,176	25,936	0.02%
Furniture & equipment	6,126,722	5,873,653	253,069	4.31%
Land improvements	5,306,632	5,306,632	-	0.00%
Vehicles	938,001	938,001	-	0.00%
Subtotal	184,920,966	168,387,224	16,533,742	9.82%
Less: accumulated depreciation	75,757,963	70,547,483	5,210,480	7.39%
Total Capital Assets, net	$ 109,163,003	$ 97,839,741	$ 11,323,262	11.57%
Intangible Lease Assets, net	$ 370,766	$ 501,102	$ (130,336)	(26.01%)

Depreciation expense was $5,210,480 and amortization expense was $130,336 for the fiscal year ended June 30, 2025. See the accompanying notes to the financial statements for further details.

B. Debt Administration

A summary of outstanding long-term debt at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Bonds payable (inclusive of unamortized premiums)	$ -	$ 1,909,203	$ (1,909,203)
Lease liability	372,493	502,279	(129,786)
	$ 372,493	$ 2,411,482	$ (2,038,989)

The decreases in bonds payable and lease liability represent principal payments made on the debt during the fiscal year. More detailed information about the District's long-term debt is presented in the accompanying notes to financial statements.

C. Other Long-Term Liabilities

A summary of the other long-term liabilities at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Compensated absences payable	$ 5,325,211	$ 4,081,877	$ 1,243,334
Termination benefits payable	313,833	417,764	(103,931)
Workers' compensation claims payable	4,337,874	7,122,090	(2,784,216)
Net pension liability - proportionate share - ERS	6,417,837	5,398,528	1,019,309
Net pension liability - proportionate share - TRS	-	3,131,761	(3,131,761)
Total other post-employment benefits obligation	125,667,493	134,621,398	(8,953,905)
	$ 142,062,248	$ 154,773,418	$ (12,711,170)

The change in other long-term liabilities is primarily due to changes in actuarial valuations for pensions and total other post-employment benefits obligation. The compensated absences payable balance included within the other long-term liabilities balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101. More detailed information about the District's other long-term liabilities is presented in the accompanying notes to financial statements.

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A. The general fund budget for the 2025-2026 school year, in the amount of $143,082,665, was approved by voters. This is an increase of $4,587,973, or 3.31%, over the previous fiscal year's budget. The tax cap discussed below, as well as uncertainty in state aid and federal funds, may impact the District's future budgets.

B. Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:

- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
- Increased costs associated with meeting the requirements for instructional services.
- Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
- Rising inflation as well as interest rates, which can affect all areas of the budget.
- The property tax cap as discussed below.

C. New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters requiring a simple majority vote. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Hewlett-Woodmere Union Free School District
Charles Carollo
Assistant Superintendent for Business
One Johnson Place
Woodmere, New York 11598
(516) 792-4803

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	
Current assets	
Cash and cash equivalents	
Unrestricted	$ 30,465,729
Restricted	81,566,784
Receivables	
State and federal aid	3,180,598
Due from other governments	4,575,212
Accounts receivable	30,572
Taxes receivable	2,887,429
Inventory	52,901
Non-current assets	
Receivable within one year	
Lease receivable	13,743
Capital assets	
Capital assets not being depreciated	58,558,499
Capital assets being depreciated, net of accumulated depreciation	50,604,504
Intangible lease assets, net of accumulated amortization	370,766
Net pension asset - proportionate share - teachers' retirement system	8,189,953
TOTAL ASSETS	240,496,690
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	23,609,116
Other post-employment benefits obligation	19,246,017
TOTAL DEFERRED OUTFLOWS OF RESOURCES	42,855,133
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	283,351,823
LIABILITIES	
Payables	
Accounts payable	1,802,841
Accrued liabilities	758,610
Student deposits	27,724
Due to other governments	4,887,332
Due to employees' retirement system	618,480
Due to teachers' retirement system	6,228,083
Unearned credits	
Collections in advance	696,212
Long-term liabilities	
Due and payable within one year	
Lease liability	130,436
Compensated absences payable	160,063
Termination benefits payable	278,373
Workers' compensation claims payable	1,001,101
Total other post-employment benefits obligation	3,472,696
Due and payable after one year	
Lease liability	242,057
Compensated absences payable	5,165,148
Termination benefits payable	35,460
Workers' compensation claims payable	3,336,773
Net pension liability - proportionate share - employees' retirement system	6,417,837
Total other post-employment benefits obligation	122,194,797
TOTAL LIABILITIES	157,454,023
DEFERRED INFLOWS OF RESOURCES	
Leases	13,743
Pensions	10,173,087
Other post-employment benefits obligation	45,250,419
TOTAL DEFERRED INFLOWS OF RESOURCES	55,437,249
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	212,891,272
NET POSITION	
Net investment in capital assets	109,071,981
Restricted	89,707,519
Unrestricted	(128,318,949)
TOTAL NET POSITION	$ 70,460,551

See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	
FUNCTIONS / PROGRAMS					
General support	$ (20,278,282)	$ -	$ -	$ -	$ (20,278,282)
Instruction	(105,060,016)	2,731,297	2,994,256	35,648	(99,298,815)
Pupil transportation	(11,889,618)		198,577		(11,691,041)
Community services	(1,040,158)				(1,040,158)
Debt service - interest	(29,761)				(29,761)
Food service program	(1,819,333)	276,121	1,589,996		46,784
TOTAL FUNCTIONS AND PROGRAMS	$ (140,117,168)	$ 3,007,418	$ 4,782,829	$ 35,648	(132,291,273)
GENERAL REVENUES					
Real property taxes					105,711,576
Other tax items - including STAR reimbursement					5,605,890
Use of money and property					4,067,096
Sale of property and compensation for loss					2,028
Miscellaneous					171,171
State sources					20,640,571
Medicaid reimbursement					150,084
TOTAL GENERAL REVENUES					136,348,416
CHANGE IN NET POSITION					4,057,143
TOTAL NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					67,151,210
CHANGE IN ACCOUNTING PRINCIPLE					(747,802)
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED					66,403,408
TOTAL NET POSITION - END OF YEAR					$ 70,460,551

See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	$ 28,672,645	$ 523,123	$ 230,276	$ -	$ -	$ 1,039,685	$ 30,465,729
Restricted	75,196,562			414,010	5,955,122	1,090	81,566,784
Receivables							
State and federal aid	431,159	2,518,898	216,319		14,222		3,180,598
Due from other governments	4,575,212						4,575,212
Due from other funds	7,196,661	2,255,557		255,298	21,404,882	1,090	31,113,488
Accounts receivable	9,219		21,353				30,572
Taxes receivable	2,887,429						2,887,429
Lease receivable	13,743						13,743
Inventory			52,901				52,901
TOTAL ASSETS	$ 118,982,630	$ 5,297,578	$ 520,849	$ 669,308	$ 27,374,226	$ 1,041,865	$ 153,886,456
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Payables							
Accounts payable	$ 1,529,649	$ 93,314	$ 41,365	$ -	$ 138,513	$ -	$ 1,802,841
Accrued liabilities	716,373	24,767	11,956	5,514			758,610
Student deposits	27,724						27,724
Due to other governments	4,887,332						4,887,332
Do to other funds	23,899,626	5,179,497	166,611	14,429	812,550	1,040,775	31,113,488
Due to employees' retirement system	595,928		22,552				618,480
Due to teachers' retirement system	6,228,083						6,228,083
Unearned credits							
Collections in advance	666,015		30,197				696,212
TOTAL LIABILITIES	38,550,730	5,297,578	272,681	19,943	951,063	1,040,775	46,132,770
DEFERRED INFLOWS OF RESOURCES							
Tuition	3,243,116						3,243,116
Leases	13,743						13,743
State aid					14,222		14,222
TOTAL DEFERRED INFLOWS OF RESOURCES	3,256,859	-	-	-	14,222	-	3,271,081
FUND BALANCES							
Nonspendable			52,901				52,901
Restricted:							
Workers' compensation	3,849,589						3,849,589
Unemployment insurance	4,188,104						4,188,104
Retirement contribution - ERS	23,360,375						23,360,375
Retirement contribution - TRS	5,083,601						5,083,601
Property loss	4,443,154						4,443,154
Liability	4,897,035						4,897,035
Employee benefit accrued liability	1,178,664						1,178,664
Capital	18,123,559				9,628,118		27,751,677
Repair	6,288,732						6,288,732
Scholarships and donations				475,545			475,545
Unspent debt proceeds					49,218		49,218
Debt service						1,090	1,090
Assigned:							
Unappropriated	38,922		195,267	173,820	16,731,605		17,139,614
Unassigned (deficit)	5,723,306						5,723,306
TOTAL FUND BALANCES	77,175,041	-	248,168	649,365	26,408,941	1,090	104,482,605
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 118,982,630	$ 5,297,578	$ 520,849	$ 669,308	$ 27,374,226	$ 1,041,865	$ 153,886,456

See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2025

Total Governmental Fund Balances		$ 104,482,605
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 is reported as expenditures in the fiscal year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 184,920,966	
Accumulated depreciation	(75,757,963)	109,163,003
The present value cost of leasing capital assets financed from the governmental funds is reported as expenditures in the fiscal year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those intangible lease capital assets among the assets of the District as a whole, and their original present value costs are expensed annually over the shorter of their useful lives or the length of the lease agreements.		
Cost of intangible lease assets	$ 651,684	
Accumulated amortization	(280,918)	370,766
Deferred outflows of resources - The Statement of Net Position recognizes expenses incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions and other post-employment benefits obligation that will be recognized as expenses in future periods amounted to:		
Pensions	$ 23,609,116	
Other post-employment benefits obligation	19,246,017	42,855,133
Certain disbursements previously expended in the governmental funds relating to pensions are treated as long term assets and increase net position. The net pension asset - proportionate share at year-end for the teachers' retirement system amounted to:		8,189,953
Deferred inflows of resources - The Statement of Net Position recognizes revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. Deferred inflows related to pensions and other post-employment benefits obligation that will be recognized as a reduction in expense in future periods amounted to:		
Pensions	$ (10,173,087)	
Other post-employment benefits obligation	(45,250,419)	(55,423,506)
Deferred inflow of resources - tuition and state aid - The Statement of Net Position recognizes revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.		3,257,338
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
Lease liability	(372,493)	
Compensated absences payable	(5,325,211)	
Termination benefits payable	(313,833)	
Workers' compensation claims payable	(4,337,874)	
Net pension liability - proportionate share - employees' retirement system	(6,417,837)	
Total other post-employment benefits obligation	(125,667,493)	(142,434,741)
Total Net Position		$ 70,460,551

See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	$ 105,711,576	$ -	$ -	$ -	$ -	$ -	$ 105,711,576
Other tax items - including STAR reimbursement	5,605,890						5,605,890
Charges for services	1,303,976			185,338			1,489,314
Use of money and property	4,053,593		7,525	5,978			4,067,096
Sale of property and compensation for loss	2,028						2,028
Miscellaneous	52,742		118,429	39,472			210,643
State sources	20,640,571	1,386,601	732,817		35,648		22,795,637
Federal sources	150,084	1,766,760	748,992				2,665,836
Surplus food			108,187				108,187
Sales			276,121				276,121
TOTAL REVENUES	137,520,460	3,153,361	1,992,071	230,788	35,648	-	142,932,328
EXPENDITURES							
General support	16,726,478						16,726,478
Instruction	74,790,889	3,084,672		307,946			78,183,507
Pupil transportation	11,551,495	198,577					11,750,072
Community services	829,319						829,319
Employee benefits	30,290,607						30,290,607
Debt service - principal	2,034,786						2,034,786
Debt service - interest	49,839						49,839
Cost of sales			1,815,350				1,815,350
Capital outlay					16,280,672		16,280,672
TOTAL EXPENDITURES	136,273,413	3,283,249	1,815,350	307,946	16,280,672	-	157,960,630
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,247,047	(129,888)	176,721	(77,158)	(16,245,024)	-	(15,028,302)
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in	1,486,971	129,888	23,500		6,632,212		8,272,571
Operating transfers (out)	(6,785,600)					(1,486,971)	(8,272,571)
TOTAL OTHER FINANCING SOURCES (USES)	(5,298,629)	129,888	23,500	-	6,632,212	(1,486,971)	-
SPECIAL ITEM (SEE NOTE 19)							
Proceeds from settlement	3,038,355						3,038,355
NET CHANGE IN FUND BALANCES	(1,013,227)	-	200,221	(77,158)	(9,612,812)	(1,486,971)	(11,989,947)
FUND BALANCES - BEGINNING OF YEAR	78,188,268	-	47,947	726,523	36,021,753	1,488,061	116,472,552
FUND BALANCES - END OF YEAR	$ 77,175,041	$ -	$ 248,168	$ 649,365	$ 26,408,941	$ 1,090	$ 104,482,605

See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances			$ (11,989,947)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Long-Term Revenue and Expense Differences			
In the Statement of Activities, certain operating expenses (compensated absences and termination benefits) are measured by the amounts earned or incurred during the fiscal year. In the governmental funds, however, expenditures for these items are measured by the amounts of financial resources used.			(391,601)
Deferred inflows of resources - The Statement of Net Position recognizes revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.			(1,796,372)
Workers' compensation claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the cost is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however the payable is recognized as it accrues regardless of when it is due. Workers' compensation claims payable changed by:			2,784,216
Long-Term Debt Transaction Differences			
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			1,905,000
Repayment of lease liability principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			129,786
Governmental funds report premiums, discounts, and similar items on bonds when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. Amortization expense for the fiscal year was:			4,203
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest changed by:			15,875
Increases/decreases in the proportionate share of net pension asset/liability and total other post-employment benefits obligation and the related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			
	Employees' retirement system	$ 461,646	
	Teachers' retirement system	910,192	
	Total other post-employment benefits obligation	831,219	2,203,057
Capital Related Differences			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.			
	Capital asset additions	$ 16,533,742	
	Depreciation expense	(5,210,480)	11,323,262
Capital outlays related to intangible lease 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 amortization expense in the Statement of Activities. Amortization expense on intangible lease assets for the fiscal year was:			(130,336)
Change in Net Position			$ 4,057,143

See Accompanying Notes to Financial Statements

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial
ASSETS	
Due from governmental funds	$ -
TOTAL ASSETS	$ -
LIABILITIES	
Due to governmental funds	$ -
TOTAL LIABILITIES	-
NET POSITION	
Restricted	
TOTAL NET POSITION	-
TOTAL LIABILITIES AND NET POSITION	$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial
ADDITIONS	
Real property taxes collected for other governments - Public Library	$ 6,541,644
DEDUCTIONS	
Real property taxes disbursed to other governments - Public Library	6,541,644
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	$ -

See Accompanying Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

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

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

A) Reporting Entity:

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

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

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

B) Joint Venture:

The District is a component district in the Nassau Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs that 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, program, and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) Basis of Presentation:

District-Wide Financial Statements:

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

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

Fund Financial Statements:

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

The District reports the following major governmental funds:

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

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

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

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

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

Debt Service Fund: This fund accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation debt.

The District reports the following fiduciary fund:

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

D) Measurement Focus and Basis of Accounting:

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on bonds payable and lease liabilities, as well as compensated absences payable, termination benefits payable, claims and judgments, pension liabilities, and total other post-employment benefits, which are recognized as expenditures to the extent they have matured.

Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year are reported as other financing sources.

E) Real Property Taxes:

Calendar

Real property taxes are levied annually by the Board no later than August 15th, and become a lien on October 1st and April 1st. Taxes are collected by the Town of Hempstead during the period October 1st through November 10th, and April 1st through May 10th, without penalty.

Enforcement

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

F) Restricted Resources:

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

G) Interfund Transactions:

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

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds, except for amounts due from/to the fiduciary fund, when applicable.

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

Refer to the accompanying notes to financial statements for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) Estimates:

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

I) Cash and Cash Equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits, and short term investments with original maturities of three months or less from date of acquisition.

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

J) Receivables:

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

K) Inventory:

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for the inventory is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year goods or services are consumed.

Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

A portion of fund balance in the school lunch fund has been classified as nonspendable to indicate that inventory does not constitute available resources.

L) Capital Assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when information is available, or estimated historical cost based on

professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and building improvements	$3,500	Straight-line	20-50 years
Furniture and equipment	$3,500	Straight-line	5-20 years
Land improvements	$3,500	Straight-line	20 years
Vehicles	$3,500	Straight-line	8 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2025, the District has not recorded any such impairment losses.

M) Intangible Lease Assets:

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

N) Deferred Outflows and Inflows 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 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 District had two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits, which are reported in the District-Wide Statement of Net Position and detailed further in the accompanying notes to financial statements.

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 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 District reported deferred inflows of resources related to leases, which is reported in the District-Wide Statement of Net Position as well as in the general fund, and is detailed further in the accompanying notes to financial statements. The District also reported deferred inflows of resources related to pensions and other post-employment benefits obligation, which are reported in the District-Wide Statement of Net Position and detailed further in the accompanying notes to financial statements.

In addition to liabilities, the Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues. The District-Wide Financial Statements, however, report these deferred inflows of resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus. At June 30, 2025, the District reported unavailable revenues in the general fund for tuition charges due from other districts in the amount of $3,243,116, as well as $14,222 in the capital projects fund for Smart School Bond Act grant funds.

O) Short-Term Debt:

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

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

The District did not issue or redeem any short-term debt during the fiscal year ended June 30, 2025.

P) Collections in Advance

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the

District has legal claim to the resources, the liability for collections in advance is reduced and revenues are recorded. See the accompanying notes to the financial statements for further detail.

Q) Employee Benefits - Compensated Absences and Termination Benefits:

Compensated absences:

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

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

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

In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, compensated absences are recognized as a liability when the obligation is attributable to services already rendered, the payment is probable, and the amount can be reasonably estimated. This includes both:

- Leave that is expected to be used in future periods, and
- Leave that will be paid out upon termination or retirement, per contractual agreements.

The liability is calculated based on employees' current pay rates and any additional salary-related costs that are directly associated with the payment of compensated absences.

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are reported for payment due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

Termination Benefits:

Retirement incentive consists of estimated eligible retirement incentive payments as specified in collective bargaining agreements. The liability is calculated on years of service plus rates in effect at year end.

In the Fund Financial Statements, a liability is reported only for payments due for termination benefits for those employees who have obligated themselves to separate from service with the District by June 30th.

R) Other Benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the fiscal year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Financial Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting.

S) Long-Term Debt:

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

In the Fund Financial Statements, governmental funds recognize bond premiums received during the current period as other financing sources, with the face amount of debt issued reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the District-Wide Financial Statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

T) Equity Classifications:

District-Wide Financial Statements:

In the District-Wide Financial Statements, there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) and intangible lease assets (present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets, including capital-related accounts payable, and any unamortized items (discounts, premiums).

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

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

As of June 30, 2025, the governmental activities reported a deficit in unrestricted net position of $128,318,949. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liabilities and total OPEB liability on the Statement of Net Position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liability on a "pay as you go" basis, has resulted in an unrestricted net deficit.

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements, there are four classifications of fund balance presented:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2025, the District has $52,901 in nonspendable fund balance for inventory recorded in the school lunch fund.

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

The District has classified the following as restricted:

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

Unemployment insurance reserve (GML §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 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.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. 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. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. These reserves are accounted for in the general fund.

Property Loss and Liability Reserves

Property loss and liability reserves (EDL § 1709 (8-c)) are used to pay for property loss and liability claims incurred. The reserve may be established by Board action and are funded by budgetary appropriations and such other funds as may be legally appropriated. Separate reserve funds must be established for property loss and liability claims. The separate identity of each fund must be maintained, whether its assets consist of cash or investments, or both. Expenditures can be made without voter approval. For school districts, each reserve may not exceed the greater of 3% of the annual budget or $15,000. Once that reserve has been

established, the reserve fund may not be reduced (other than by payments for losses for which the reserve was established) below the estimated amount necessary to cover unsettled claims or suits. These reserves are accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

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

Capital Reserve

Capital reserve (EL§3651) 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 requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form of 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 and capital projects fund.

Repair Reserve

Repair reserve (GML§6-d) is used to pay the cost of repairs of capital improvements or equipment, for which repairs are of a type not recurring annually. The Board without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund.

Restricted for Scholarships and Donations

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

Restricted for Unspent Debt Proceeds

Unspent long-term debt proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement(s). These restricted funds are accounted for in the capital projects fund.

Restricted for Debt Service

Debt service accumulates funds from unused bond proceeds and interest earnings. The accumulated funds must be used to offset the cost of the bond principal and interest payments. These restricted funds are accounted for in the debt service fund.

Unrestricted Resources

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

Committed fund balance – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e., the Board). The District has no committed fund balances as of June 30, 2025.

Assigned fund balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies. Assigned fund balance includes encumbrances not classified as restricted or committed at the end of the year.

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balances of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent fiscal year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance was not in excess of the New York State Property Tax Law 1318 limit as of June 30, 2025.

Fund Balance Classification

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

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

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e. expenditures related to reserves), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or Board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

U) New Accounting Pronouncement:

GASB has issued Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective for the District for the fiscal year ended June 30, 2025. This statement establishes updated recognition and measurement guidance for liabilities related to compensated absences. Under GASB Statement No. 101, liabilities for compensated absences are recognized when leave is attributable to services already rendered, payment is probable, and the amount can be reasonably estimated. This includes both accumulated leave expected to be used in future periods and leave payable upon an employee's separation from service. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs.

As disclosed in the accompanying notes to financial statements, the cumulative effect of the adoption of GASB Statement No. 101 (change in accounting principle) was an increase of the compensated absences payable balance of $747,802 and a decrease to net position of $747,802 in the Statement of Net Position as of July 1, 2024.

V) Future Accounting Pronouncements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, to improve the key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets not disclosure such as intangible lease assets, subscription assets, and assets held for sale. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

The statements above are not an all-inclusive list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the statements above and implement the provisions as applicable.

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

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

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

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

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

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

Long-term revenue and expense differences:

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

Long-term debt transaction differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial 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.

Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on Fund Financial Statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items or financing of intangible lease assets in the Fund Financial

Statements and depreciation or amortization expense on those items as recorded in the Statement of Activities.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A) Budgets:

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

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

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

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

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as 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.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

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

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

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

All of the District's aggregate bank balances were covered by depository insurance, collateralized with securities held by the District's agent, a third-party institution in the District's name, or collateralized with securities held by the pledging financial institution in the District's name at year end.

B) Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2025 included $81,566,784 within the governmental funds for general reserves and amounts restricted for scholarships and donations, debt service, and capital projects.

C) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

D) Investment Pool:

The District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and considered to be cash equivalents. At June 30, 2025 the District held $22,202,968 in investments consisting of various investments in securities issued by the United States and its agencies:

Fund	Bank Balance
General fund	$ 16,495,767
Capital projects fund	5,707,201
Total	$ 22,202,968

Total investments of the cooperative at June 30, 2025 are $13,530,190,970, which consisted of $3,819,691,492 in repurchase agreements, and $9,710,499,478 in U.S. Government Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2025 are $591,627,356.

The above 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. CLASS is rated AAAm by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website www.newyorkclass.org or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver, CO 80202.

NOTE 5 –PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2025, the District was billed $7,084,588 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,143,248. Financial statements for the Nassau BOCES are available from the Nassau BOCES administrative office at 71 Clinton Road, P.O. Box 9195, Garden City, NY 11530.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivable at June 30, 2025 consisted of the following:

General Fund	
General aid	$ 144,246
Excess cost aid	286,913
Total - General fund	431,159
Special Aid Fund	
Federal grants	1,627,604
State grants	891,294
Total - Special Aid Fund	2,518,898
School Lunch Fund	
Federal breakfast reimbursements	12,897
Federal lunch reimbursements	45,333
State breakfast reimbursements	35,527
State lunch reimbursements	122,562
Total - School Lunch Fund	216,319
Capital Projects Fund	
State grants - Smart Schools Bond Act	14,222
Total - All Funds	$ 3,180,598

The capital projects fund's state aid receivable balance includes $14,222 of unavailable revenues, which is included in deferred inflows of resources on the Balance Sheet.

District management has deemed these amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2025 consisted of the following:

BOCES aid	$ 1,069,306
PILOT	14,822
Non-resident and special education tuition due from other districts	3,491,084
	$ 4,575,212

District management has deemed these amounts to be fully collectible. Approximately $3,243,116 of the outstanding amount related to non-resident and special education tuition due from other districts represents amounts due from two districts, which is included in deferred inflows of resources on the Balance Sheet.

NOTE 8 – LEASE RECEIVABLE:

The District recognizes a lease receivable and deferred inflow of resources – leases, for agreements whereby the District leases building space to other entities, with an interest rate of 0.50%. The agreement also includes an annual payment escalation of 1.5%. The lease receivable and associated deferred inflow of resources will be reduced as the lease payments are received.

Principal and interest amounts received for the District's lease receivable amounted to $13,471 and $105, respectively, for the fiscal year ended June 30, 2025.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 13,743	$ 37	$ 13,780
Total	$ 13,743	$ 37	$ 13,780

District management has deemed the amounts to be fully collectible.

NOTE 9 – CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets

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

	Beginning Balance	Additions	Reclassifications /Disposals	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 5,159,600	$ -	$ -	$ 5,159,600
Construction in progress	37,144,162	16,280,673	(25,936)	53,398,899
Total capital assets not being depreciated	42,303,762	16,280,673	(25,936)	58,558,499
Capital assets that are depreciated:				
Buildings and building improvements	113,965,176		25,936	113,991,112
Furniture and equipment	5,873,653	253,069		6,126,722
Land improvements	5,306,632			5,306,632
Vehicles	938,001			938,001
Total capital assets being depreciated	126,083,462	253,069	25,936	126,362,467
Less accumulated depreciation:				
Buildings and building improvements	63,443,414	4,498,337		67,941,751
Furniture and equipment	4,174,504	440,103		4,614,607
Land improvements	2,357,250	198,939		2,556,189
Vehicles	572,315	73,101		645,416
Total accumulated depreciation	70,547,483	5,210,480	-	75,757,963
Total capital assets being depreciated, net	55,535,979	(4,957,411)	25,936	50,604,504
Capital assets, net	$ 97,839,741	$ 11,323,262	$ -	$ 109,163,003

Depreciation expense was charged to governmental functions as follows:

General support	$ 195,199
Instruction	4,990,547
Pupil transportation	17,922
Community services	2,829
Food service program	3,983
Total	$ 5,210,480

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets:				
Furniture and equipment	$ 848,404	$ -	$ (196,720)	$ 651,684
Total intangible lease assets being amortized	848,404	-	(196,720)	651,684
Less accumulated amortization:				
Furniture and equipment	347,302	130,336	(196,720)	280,918
Total accumulated amortization	347,302	130,336	(196,720)	280,918
Total intangible lease assets, net	$ 501,102	$ (130,336)	$ -	$ 370,766

Amortization expense of $130,336 was charged to the governmental functions as general support.

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General fund	$ 7,196,661	$ 23,899,626	$ 1,486,971	$ 6,785,600
Special aid fund	2,255,557	5,179,497	129,888	
School lunch fund		166,611	23,500	
Miscellaneous special revenue fund	255,298	14,429		
Capital projects fund	21,404,882	812,550	6,632,212	
Debt service fund	1,090	1,040,775		1,486,971
Totals	$ 31,113,488	$ 31,113,488	$ 8,272,571	$ 8,272,571

The District transferred from the general fund to the special aid fund to fund the District's local share of the summer program for students with disabilities and to fund the District's local share of the State Supported Section 4201 schools. The District also made a transfer from the general fund to the school lunch fund to subsidize part of the school lunch fund's general operating costs and to cover the negative balances on student accounts. The District transferred from the general fund to the capital projects fund to finance capital projects as authorized by the voters. The District transferred from the debt service fund to the general fund to subsidize debt service payments.

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

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

NOTE 11 – COLLECTIONS IN ADVANCE:

Collections in advance on the governmental funds balance sheet at June 30, 2025 consisted of:

General Fund	
Prepaid amounts for summer programs	$ 666,015
School Lunch Fund	
Prepaid student account balances	24,022
Supply chain assistance grants	6,175
Total - All Funds	$ 696,212

NOTE 12 – LONG-TERM LIABILITIES:

Long-term liability balances and activity for the fiscal year ending June 30, 2025 are summarized below:

	As Restated Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Long-term debt:					
Bonds payable					
Construction serial bonds	$ 1,905,000	$ -	$ (1,905,000)	$ -	$ -
Add: Unamortized bond premiums	4,203		(4,203)	-	-
Total Bonds payable	1,909,203	-	(1,909,203)	-	-
Other long-term liabilities:					
Lease liability	502,279		(129,786)	372,493	130,436
Compensated absences payable*	4,829,679	495,532		5,325,211	160,063
Termination benefits payable	417,764	413,419	(517,350)	313,833	278,373
Workers' compensation claims payable	7,122,090		(2,784,216)	4,337,874	1,001,101
Net pension liability - proportionate share - ERS	5,398,528	3,239,560	(2,220,251)	6,417,837	
Net pension liability - proportionate share - TRS	3,131,761		(3,131,761)	-	
Total other post-employment benefits obligation	134,621,398	9,752,163	(18,706,068)	125,667,493	3,472,696
Total Long-term Liabilities	$ 157,932,702	$ 13,900,674	$ (29,398,635)	$ 142,434,741	$ 5,042,669

*Beginning balance is restated. See the accompanying notes to financial statements for further detail of the opening balance restatement in connection with the change in accounting principle.

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, lease liability, compensated absences payable, termination benefits payable, workers' compensation claims payable, net pension liabilities, and total other post-employment benefits obligation, if applicable.

A) Lease Liability

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various copiers and other equipment items with an interest rate of 0.50%.

Principal and interest amounts paid on the District's lease liabilities amounted to $129,786 and $2,214, respectively, for the fiscal year ended June 30, 2025.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 130,436	$ 1,564	$ 132,000
2027	112,269	926	113,195
2028	86,417	451	86,868
2029	43,371	63	43,434
	$ 372,493	$ 3,004	$ 375,497

B) Long-Term Interest:

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

	Total
Interest paid	$ 49,839
Less interest accrued in the prior fiscal year	(15,875)
Less amortization of premium on obligations	(4,203)
Total expense (credit)	$ 29,761

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security

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

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
    a. Employees who joined the system after July 27, 1976, and before January 1, 2010
        i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.

b. Employees who joined the system on or after January 1, 2010 and before April 1, 2012.
    i. Employees contribute 3.5% of their salary throughout active membership.
c. Employees who joined the system on or after April 1, 2012
    i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2025, ranged from 11.30% to 17.70% of covered payroll.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2025, was 10.11% of covered payroll.

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

	ERS	TRS
2025	$2,220,251	$5,461,965
2024	$1,882,535	$5,115,426
2023	$1,560,999	$5,204,536

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

At June 30, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension

asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Net pension asset/(liability)	($6,417,837)	$8,189,953
District's portion of the Plan's total net pension asset/(liability)	0.0374311%	0.274498%
Change in proportion since the prior measurement date	0.0007664%	0.000643%

For the fiscal year ended June 30, 2025, the District recognized pension expense of $4,581,704 for TRS and pension expense of $1,764,670 for ERS. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 1,592,950	$ 8,819,076	$ 75,140	$ -
Changes of assumptions	269,151	4,899,252		824,100
Net difference between projected and actual earnings on pension plan investments	503,526			9,099,736
Changes in proportion and differences between the District's contributions and proportionate share of contributions	765,516	679,200	50,330	123,781
District's contributions subsequent to the measurement date	618,480	5,461,965		
	$ 3,749,623	$ 19,859,493	$ 125,470	$ 10,047,617

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the fiscal 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:

	ERS	TRS
Plan Year ended:		
2025	$ -	$ (4,087,140)
2026	1,389,231	10,165,353
2027	1,838,454	(1,516,245)
2028	(389,400)	(1,728,460)
2029	167,388	1,107,442
Thereafter	-	408,961
	$ 3,005,673	$ 4,349,911

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.30%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrements	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2019 - June 30, 2023 System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2024, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment 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.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions 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 the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2025		June 30, 2024	
Asset type	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return
Domestic equity	25%	3.54%	33%	6.6%
International equity	14%	6.57%	15%	7.4%
Global equity			4%	6.9%
Private equity	15%	7.25%	9%	10.0%
Real estate	12%	4.95%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	4%	5.55%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	22%	2.00%	16%	2.6%
Global bonds			2%	2.5%
High-yield bonds			1%	4.8%
Private debt			2%	5.9%
Real estate debt			6%	3.9%
Cash equivalents			1%	0.5%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.90% for ERS, and 2.40% for TRS.

Discount Rate

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

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

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

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset/(liability)	$ (18,574,027)	$ (6,417,837)	$ 3,732,590

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset/(liability)	$ (37,829,867)	$ 8,189,953	$ 46,893,858

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $618,480.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October, and November 2025 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to $6,228,083.

NOTE 14 – PENSION PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and by employees for the fiscal year ended June 30, 2025, totaled $104,315 and $3,192,803, respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457(b) for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2025 totaled $532,025.

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

A) General Information about the OPEB Plan:

Plan Description

The District primarily provides post-employment health insurance coverage to retired employees, their spouses, and their covered dependents in accordance with the provisions of various employment contracts. Medicare Part B benefits are also provided. Benefits are provided through a consortium known as the New York State Health Insurance Program Empire Plan, (the "Plan"). Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. The Plan does not issue a stand-alone, publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. The contribution requirements of Plan members and the District are established and may be amended by the District. Benefit terms provide for the District to contribute between 35% and 100% of the premiums for individual and family coverage and 0% of the premiums for surviving spouses. The District recognizes the cost of the healthcare plan annually as expenditures in the general fund of the Fund Financial Statements as payments come due. For the measurement period ending June 30, 2025, the District contributed an estimated $3,586,787 to the Plan, including $3,586,787 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund other postemployment benefits by any means other than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	359
Active employees	636
Total	995

B) Total OPEB Liability:

The District's total OPEB liability of $125,667,493 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Discount rate	4.76%
Healthcare cost trend rates	7.00% for 2025, decreasing by 0.25% per year to an ultimate rate of 4.50% by 2035
Retirees' share of benefit-related costs	0% to 65% of health insurance premiums for retirees and family coverage and 100% of surviving spouse coverage

The discount rate is based on the average of two 20-year municipal bond indices (S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GO AA 20 Years) as of June 30, 2025.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C) Changes in the Total OPEB Liability:

Balance at June 30, 2024	$ 134,621,398
Changes for the fiscal year:	
Service cost	3,429,550
Interest	6,322,613
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(15,119,281)
Benefit payments	(3,586,787)
Net changes	(8,953,905)
Balance at June 30, 2025	$ 125,667,493

There were no significant plan changes since the last valuation.
Changes in assumptions or other inputs include a change in the discount rate from 4.09% to 4.76%.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.76%) or 1-percentage-point higher (5.76%) than the current discount rate:

	1% Decrease (3.76%)	Discount Rate (4.76%)	1% Increase (5.76%)
Total OPEB liability	$ 149,042,773	$ 125,667,493	$ 107,426,430

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

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

		Healthcare Cost Trend Rates	
	1% Decrease	Current	1% Increase
Total OPEB liability	$ 104,040,638	$ 125,667,493	$ 154,281,248

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense (credit) of $2,755,568. At June 30, 2025, the District reported the following 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	$ -	$ -
Changes of assumptions or other inputs	19,246,017	45,250,419
	$ 19,246,017	$ 45,250,419

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

Fiscal Year Ended June 30:	Amount
2026	$ (7,034,562)
2027	(7,908,603)
2028	(9,704,693)
2029	(254,585)
2030	676,865
Thereafter	(1,778,824)
	$ (26,004,402)

NOTE 16 – RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2025 restricted fund balances, to fund the budget and reduce taxes for the fiscal year ending June 30, 2026:

Retirement contribution	
Employees' retirement system	$ 2,000,000
Workers' compensation	500,000
	$ 2,500,000

NOTE 17 – RESTRICTED FOR CAPITAL RESERVE

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

	Capital Reserve		
Title	Long Range Building Improvement Fund	Long Range Building Improvement Fund #2	
Date Created	May 16, 2017	May 21, 2024	
Number of Years to Fund	10	10	
Maximum Annual Funding	$10,000,000	$10,000,000	
Maximum Funding	$40,000,000	$40,000,000	
General Fund			**Totals**
Funding Provided	$ 40,000,000	$ 14,500,000	$ 54,500,000
Interest Earnings	608,014	-	608,014
Use of Reserve	(36,984,455)	-	(36,984,455)
Total General Fund	3,623,559	14,500,000	18,123,559
Capital Projects Fund			
Funding Provided	36,984,455	-	36,984,455
Use of Reserve	(27,356,337)	-	(27,356,337)
Total Capital Projects Fund	9,628,118	-	9,628,118
Balance as of June 30, 2025	$ 13,251,677	$ 14,500,000	$ 27,751,677

NOTE 18 – RISK MANAGEMENT:

A) General:

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

B) Consortiums and Self Insured Plans:

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

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for incurred claims and incurred but not recorded (IBNR) based on a liability evaluation done by an actuary as of June 30, 2025. As of June 30, 2025, the District has recorded potential workers' compensation claims (losses incurred but not paid) and incurred but not reported claims for a total liability of $4,337,874. This total liability is calculated using a 3.50% discount rate. The District has a workers' compensation reserve balance of $3,849,589 as of June 30, 2025. Claims activity is summarized below:

	2025	2024
Unpaid claims at the beginning of the year	$ 7,122,090	$ 6,802,565
Claims incurred and claim adjustment expenses	(2,452,889)	1,198,254
Claims paid	(331,327)	(878,729)
Unpaid claims at the end of the year	$ 4,337,874	$ 7,122,090

NOTE 17 – TERMINATION BENEFITS PAYABLE:

Retirement Incentives:

The District offers a retirement incentive to certain administrators, nurses, and clerical employees outlined in their employment contract. Certain administrators who are not members of a bargaining unit having served at least 5 years employed by the District and are eligible for retirement in the New York State Teachers' Retirement System are entitled to a retirement incentive of 50% of their final year's salary. The service requirement for eligibility has been increased from 5 years to a minimum of 10 years in District for appointments made after July 1, 2013. Nurses and clerical employees eligible for retirement and enrolled in the Employees' Retirement System are entitled to a retirement incentive of $6,000 and $10,000, respectively. The projected liability for retirement incentives at June 30, 2025 is $313,833, the amount recorded as a long term-term liability on the Statement of Net Position.

NOTE 18 – TAX ABATEMENTS:

The Town of Hempstead Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 905, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Town. Information on the amount of property taxes abated was not available. The District received Payment in Lieu of Tax (PILOT) payments totaling $29,644 for these programs during the fiscal year.

The District also received PILOT payments from the County related to the Long Island Power Authority in the amount of $2,490,836. These PILOT payments are not considered tax abatements as the purpose of this agreement was not to abate taxes.

NOTE 19 – SPECIAL ITEM:

The District received $3,038,355 in proceeds from a legal settlement with another school district during fiscal year 2025. This amount was recognized as a special item in the general fund in fiscal year 2025.

NOTE 20 –COMMITMENTS AND CONTINGENCIES:

A) Grants:

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

B) Litigation:

As of June 30, 2025, the District is unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

C) Encumbrances:

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

General Fund:	
General support	$ 19,837
Instruction	18,860
Pupil transportation	225
Total - General Fund	$ 38,922
Special Aid Fund:	
Instruction	$ 4,852
Capital Fund:	
Capital outlays	$ 7,181,753

NOTE 21 – RESTATEMENT OF NET POSITION:

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101. The implementation of GASB Statement No. 101 (change in accounting principle) required the restatement of the beginning net position as of July 1, 2024. The cumulative effect of this change is summarized below.

	Statement of Net Position
Net Position, Beginning of Year, as Previously Reported	$ 67,151,210
Long-term liabilities	
Compensated absences payable	(747,802)
Total Long-Term Liabilities	(747,802)
Net Position, Beginning of Year, as Restated	$ 66,403,408

NOTE 22 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes to financial statements. Management evaluated the activity of the District through October 22, 2025, the date of this report, and concluded that no subsequent events have occurred that would require disclosure in the notes to financial statements.

SUPPLEMENTARY INFORMATION

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 108,577,500	$ 105,492,090	$ 105,711,576	$ 219,486
Other tax items	2,762,784	5,848,194	5,605,890	(242,304)
Charges for services	1,613,000	1,613,000	1,303,976	(309,024)
Use of money and property	1,355,000	1,355,000	4,053,593	2,698,593
Sale of property and compensation for loss	-	-	2,028	2,028
Miscellaneous	875,000	875,000	52,742	(822,258)
State Sources	20,631,480	20,631,480	20,640,571	9,091
Federal Sources	100,000	100,000	150,084	50,084
Other Financing Sources				
Transfers from other funds	1,486,971	1,486,971	1,486,971	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	137,401,735	137,401,735	$ 139,007,431	$ 1,605,696
Prior year encumbrances	1,412,883	1,412,883		
Appropriated reserves	1,092,957	5,284,294		
TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED RESERVES	$ 139,907,575	$ 144,098,912		

Budget Basis of Accounting

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

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	$ 145,760	$ 114,292	$ 114,281	$ 11	$ -
Central administration	584,808	876,511	868,588		7,923
Finance	1,310,385	1,382,965	1,362,515	3,018	17,432
Staff	1,429,047	1,622,619	1,610,267		12,352
Central services	11,748,892	11,161,240	10,972,381	8,818	180,041
Special items	1,271,662	1,806,436	1,798,446	7,990	-
Total general support	16,490,554	16,964,063	16,726,478	19,837	217,748
Instruction					
Instruction, adm., and imp.	4,640,700	4,728,479	4,713,168		15,311
Teaching - regular school	34,795,553	33,822,877	33,634,920	3,937	184,020
Programs for children with disabilities	20,877,025	22,452,011	22,310,353	5,000	136,658
Occupational education	425,000	371,582	368,320		3,262
Teaching special schools	459,411	608,344	578,926	8,208	21,210
Instructional media	4,769,797	5,026,669	4,994,144	895	31,630
Pupil services	8,449,957	8,347,131	8,191,058	820	155,253
Total instruction	74,417,443	75,357,093	74,790,889	18,860	547,344
Pupil transportation	11,471,548	11,753,343	11,551,495	225	201,623
Community services	865,219	843,469	829,319		14,150
Employee benefits	30,436,686	30,290,607	30,290,607		-
Debt service					
Debt service - principal	1,905,000	2,034,786	2,034,786		-
Debt service - interest	147,625	49,839	49,839		-
Total debt service	2,052,625	2,084,625	2,084,625	-	-
TOTAL EXPENDITURES	135,734,075	137,293,200	136,273,413	38,922	980,865
Other Financing Uses					
Transfers to other funds	4,173,500	6,805,712	6,785,600		20,112
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 139,907,575	$ 144,098,912	143,059,013	$ 38,922	$ 1,000,977
Special Item					
Proceeds from settlement			3,038,355		
Net change in fund balances			(1,013,227)		
Fund balances - beginning of year			78,188,268		
Fund balances - end of year			$ 77,175,041		

Budget Basis of Accounting

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

See Paragraph on Required Supplementary Information Included in Auditor's Report

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

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0374311%	0.0366647%	0.0371972%	0.0381148%	0.0363853%	0.0358998%	0.0364919%	0.0340386%	0.0342011%	0.0346443%
District's proportionate share of the net pension asset/(liability)	$ (6,417,837)	$ (5,398,528)	$ (7,976,587)	$ 3,115,724	$ (36,230)	$ (9,506,478)	$ (2,585,562)	$ (1,098,576)	$ (3,213,615)	$ (5,560,513)
District's covered payroll	$ 17,925,182	$ 14,852,419	$ 13,100,699	$ 13,126,712	$ 12,973,361	$ 12,703,711	$ 12,294,231	$ 12,075,506	$ 11,854,441	$ 11,145,452
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	35.80%	36.35%	60.89%	23.74%	0.28%	74.83%	21.03%	9.10%	27.11%	49.89%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

NYSTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.274498%	0.273855%	0.283292%	0.291904%	0.285375%	0.286875%	0.286892%	0.281669%	0.281399%	0.278310%
District's proportionate share of the net pension asset/(liability)	$ 8,189,953	$ (3,131,761)	$ (5,436,071)	$ 50,584,167	$ 7,885,681	$ 7,453,033	$ 5,187,769	$ 2,140,965	$ (3,013,905)	$ 28,907,577
District's covered payroll	$ 53,092,898	$ 51,381,959	$ 51,286,139	$ 50,589,695	$ 49,660,368	$ 48,928,438	$ 47,631,850	$ 45,329,603	$ 43,454,191	$ 42,103,796
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.43%	6.10%	10.60%	99.99%	15.88%	15.23%	10.89%	4.72%	6.94%	68.66%
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

Note to Required Supplementary Information

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

See Paragraph on Required Supplementary Information Included in Auditor's Report

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30,

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,220,251	$ 1,882,535	$ 1,560,999	$ 1,866,406	$ 1,893,758	$ 1,733,798	$ 1,767,879	$ 1,740,707	$ 1,653,095	$ 1,897,088
Contributions in relation to the contractually required contribution	2,220,251	1,882,535	1,560,999	1,866,406	1,893,758	1,733,798	1,767,879	1,740,707	1,653,095	1,897,088
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 18,213,015	$ 15,961,401	$ 13,187,399	$ 12,957,875	$ 13,262,631	$ 12,624,570	$ 12,365,093	$ 12,115,008	$ 11,960,696	$ 10,996,002
Contributions as a percentage of covered payroll	12.19%	11.79%	11.84%	14.40%	14.28%	13.73%	14.30%	14.37%	13.82%	17.25%

NYSTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 5,461,965	$ 5,115,426	$ 5,204,536	$ 4,918,228	$ 4,719,095	$ 4,291,533	$ 5,085,292	$ 4,563,687	$ 5,231,254	$ 5,743,878
Contributions in relation to the contractually required contribution	5,461,965	5,115,426	5,204,536	4,918,228	4,719,095	4,291,533	5,085,292	4,563,687	5,231,254	5,743,878
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 55,180,878	$ 53,092,898	$ 51,381,959	$ 51,286,139	$ 50,589,695	$ 49,660,368	$ 48,928,438	$ 47,631,850	$ 45,329,603	$ 43,454,191
Contributions as a percentage of covered payroll	9.90%	9.63%	10.13%	9.59%	9.33%	8.64%	10.39%	9.58%	11.54%	13.22%

See Paragraph on Required Supplementary Information Included in Auditor's Report

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$3,429,550	$4,074,316	$2,579,702	$2,697,033	$4,660,635	$4,017,170	$1,842,753	$1,789,081
Interest	6,322,613	4,399,131	4,332,359	6,437,125	3,190,571	3,471,331	4,843,894	4,714,196
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-	-
Changes of assumptions or other inputs	(15,119,281)	20,269,042	(4,497,039)	(68,649,964)	13,092,242	5,739,875	-	-
Benefit payments	(3,586,787)	(3,358,605)	(2,972,972)	(2,869,490)	(2,843,143)	(2,831,157)	(2,800,790)	(2,794,424)
Net change in total OPEB liability	(8,953,905)	25,383,884	(557,950)	(62,385,296)	18,100,305	10,397,219	3,885,857	3,708,853
Total OPEB liability - beginning	134,621,398	109,237,514	109,795,464	172,180,760	154,080,455	143,683,236	139,797,379	136,088,526
Total OPEB liability - ending	125,667,493	134,621,398	109,237,514	$109,795,464	$172,180,760	$154,080,455	$143,683,236	$139,797,379
Covered-employee payroll	$60,536,647	$60,536,647	$55,266,082	$55,266,082	$56,957,084	$56,957,084	$57,687,481	$57,687,481
Total OPEB liability as a percentage of covered-employee payroll	207.59%	222.38%	197.66%	198.67%	302.30%	270.52%	249.07%	242.34%
Discount rate	4.76%	4.09%	4.00%	3.77%	2.09%	2.44%	3.50%	3.50%

Notes to Schedule:

Trust Assets
There are no assets accumulated in a trust to pay related benefits.

This schedule is intended to show information for 10 years; additional years will be displayed as they become available.

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 138,494,692
Add: Prior year's encumbrances		1,412,883
Original Budget		139,907,575
Budget Revisions:		
Appropriation of liability reserve	$ 505,989	
Appropriation of employment benefit accrued liability reserve	680,000	
Appropriation of repair reserve	3,005,348	4,191,337
Final Budget		$ 144,098,912

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	$ 143,082,665
Maximum allowed (4% of 2025-2026 budget)	$ 5,723,306
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	38,922
Unassigned fund balance	5,723,306
Total unrestricted fund balance	5,762,228
Less:	
Encumbrances included in assigned fund balance	38,922
Total adjustments	38,922
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 5,723,306
Actual percentage of 2025-2026 budget	4.00%

See Paragraph on Other Supplementary Information Included in Auditor's Report

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
JUNE 30, 2025

Project Title	Revised Appropriation	Expenditures and Obligations to Date			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2025
		Prior Year's	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
FECC Cupola and Gutter Repair	$ 1,977,819	$ 1,114,268	$ 56,777	$ 1,171,045	$ 806,774	$ -	$ -	$ 1,977,820	$ 1,977,820	$ 806,775
FECC Repointing and Masonry	906,699	451,298		451,298	455,401			906,699	906,699	455,401
HES Ext Column Repl + R&M	647,079	13,907	465,403	479,310	167,769			647,079	647,079	167,769
OES Repointing and Masonry	1,167,469	14,700		14,700	1,152,769			1,167,469	1,167,469	1,152,769
HHS Sci Lab Gas Lines	10,014,964	618,987	7,036,700	7,655,687	2,359,277			10,177,964	10,177,964	2,522,277
HES HVAC Upgrades (2015-16)	4,976,183	3,808,449		3,808,449	1,167,734			4,976,183	4,976,183	1,167,734
FECC Window Relacement	39,000			-	39,000			39,000	39,000	39,000
WMS New Storage Bldg	636,000	44,069	2,913	46,982	589,018			636,000	636,000	589,018
WMS Asphalt Repairs	628,312			-	628,312			628,312	628,312	628,312
HHS Asphalt Repairs	112,987			-	112,987			112,987	112,987	112,987
HHS Multi-Phase HVAC Project	16,281,974	14,920,100		14,920,100	1,361,874			16,281,974	16,281,974	1,361,874
WMS Field/Pking Lot/sitework/bathroom	2,025,000	1,763,132	2,750	1,765,882	259,118			2,025,000	2,025,000	259,118
WEC Complete Windows	811,685	702,049		702,049	109,636			811,685	811,685	109,636
WMS Repoint and Masonry	325,000			-	325,000			325,000	325,000	325,000
WEC Repoint and Masonry	200,850	200,583		200,583	267			200,850	200,850	267
HES Pool Piping Repairs	788,000	608,742	77,771	686,513	101,487			788,000	788,000	101,487
Dist Wide Fence Replacement	450,000	112,256		112,256	337,744			450,000	450,000	337,744
Dist Wide Carpet/ Floor Tile	138,290	128,140		128,140	10,150			138,290	138,290	10,150
Dist Wide Blueprint Digit	123,848			-	123,848			123,848	123,848	123,848
HHS Pool Natatorium	67,505			-	67,505	49,218		18,287	67,505	67,505
HES Slate Roof	3,371,486	1,988,138		1,988,138	1,383,348			3,371,486	3,371,486	1,383,348
HHS LC Roof	1,787,206	1,577,774		1,577,774	209,432			1,787,206	1,787,206	209,432
WMS Elevator Renovation	325,000	193,800		193,800	131,200			325,000	325,000	131,200
District Wide Intrusion Alarm System	75,000	49,363		49,363	25,637			75,000	75,000	25,637
District Wide CCTV and Lighting Upgrades	1,152,387	582,285	307,921	890,206	262,181			1,152,387	1,152,387	262,181
WEC Fire Escape and Windows	274,150	230,176		230,176	43,974			274,150	274,150	43,974
FECC HVAC Gym #2	463,610	399,304	2,687	401,991	61,619			463,610	463,610	61,619
WMS Bldg wide Surge Prot	600,000	2,542		2,542	597,458			600,000	600,000	597,458
HHS Boiler, Fields, Lockers	2,050,000	1,960,148	18,994	1,979,142	70,858			2,050,000	2,050,000	70,858
OES Plumbig Upgrades	395,925			-	395,925			395,925	395,925	395,925
HES Plumbig Upgrades	399,704			-	399,704			399,704	399,704	399,704
CarrHse Boiler Replacement	200,000			-	200,000			200,000	200,000	200,000
HES Elevator Renovation	300,000	22,093	159,300	181,393	118,607			300,000	300,000	118,607
FECC Elevator Renovation	360,000	24,109	158,218	182,327	177,673			360,000	360,000	177,673
WEC ADA Toilet Renovation	750,000	29,680	682,201	711,881	38,119			750,000	750,000	38,119
HHS Auditorium Renovation	6,803,028	165,105	4,349,228	4,514,333	2,288,695			6,803,028	6,803,028	2,288,695
WMS Sci Lab Renov/ Athletic Fields	3,678,794	102,846	1,852,105	1,954,951	1,723,843			3,678,794	3,678,794	1,723,843
WEC Wireless clock and PA system	275,000			-	275,000			275,000	275,000	275,000
Dist Wide Windows	150,000			-	150,000			150,000	150,000	150,000
Dist Wide Plumbing	103,617			-	103,617			103,617	103,617	103,617
HHS Auditorium Roof	1,000,000	25,522	787,838	813,360	186,640			1,000,000	1,000,000	186,640
Dist Wide Sitework	458,800	27,535		27,535	431,265			458,800	458,800	431,265
Dist Wide Technology	309,358		38,462	38,462	270,896			309,358	309,358	270,896
Dist Wide Security	250,000		167,637	167,637	82,363			250,000	250,000	82,363
FECC Reconstruct Café Kiitchen	856,483		15,790	15,790	840,693			856,483	856,483	840,693
HHS DRS, FIELDHOUSE, TENNIS COURTS	1,978,041		66,913	66,913	1,911,128			1,978,041	1,978,041	1,911,128
FECC Bathroom Renov	1,717,958			-	1,717,958			1,717,958	1,717,958	1,717,958
HHS Consession Stand	1,912,863		31,064	31,064	1,881,799			1,912,863	1,912,863	1,881,799
SSBA Project	751,870	442,528		442,528	309,342		428,306	104,860	533,166	90,638
TOTAL	$ 75,068,944	$ 32,323,628	$ 16,280,672	$ 48,604,300	$ 26,464,644	$ 49,218	$ 428,306	$ 74,535,717	$ 75,013,241	$ 26,408,941

See Paragraph on Other Supplementary Information Included in Auditor's Report

HEWLETT-WOODMERE UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2025

Capital assets, net		$ 109,163,003
Intangible lease assets, net		370,766
Add:		
Unspent debt proceeds		49,218
Deduct:		
Capital related accounts payable		138,513
Short-term portion of lease liability	$ 130,436	
Long-term portion of lease liability	242,057	372,493
Net investment in capital assets		$ 109,071,981

See Paragraph on Other Supplementary Information Included in Auditor's Report

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

Robert S. Abrams
(1926-2014)

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

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

To the Board of Education
Hewlett-Woodmere Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Hewlett-Woodmere Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

R.S. Abrams & Co., LLP
Islandia, New York
October 22, 2025