HEMPSTEAD UNION FREE SCHOOL DISTRICT

Single Audit and
Independent Auditors' Report

June 30, 2025

HEMPSTEAD UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Board of Education
Hempstead Union Free School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Hempstead Union Free School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the District as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 15, 2025, which contained unmodified opinions on those financial statements.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 GAAS. In our opinion the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 25, 2026

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INDEPENDENT AUDITORS' 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

The Board of Education
Hempstead Union Free School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Hempstead Union Free School District (the District), as of and for the year ended June 30, 2025, and the related notes to financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 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 over compliance 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 15, 2026

HEMPSTEAD UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-through Grantor/ Cluster Title/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Total by Program	Expenditures to Subrecipients
U.S. Department of Education					
Passed - Through Programs From:					
New York State Department of Education:					
Special Education Cluster:					
Special Education - Grants to States	84.027	0032-24-0402	$ (29,743)		-
Special Education - Grants to States	84.027	0032-25-0402	2,199,098	2,169,355	-
Special Education - Preschool Grants	84.173	0033-24-0402	(180)		-
Special Education - Preschool Grants	84.173	0033-25-0402	35,149	34,969	-
Total Special Education Cluster			2,204,324	2,204,324	-
Title I Grants to Local Educational Agencies	84.010	0021-24-1450	35,273		-
Title I Grants to Local Educational Agencies	84.010	0021-25-1450	787,175		-
Title I Grants to Local Educational Agencies	84.010	0011-24-2066	(18)	822,430	-
English Language Acquisition Grants	84.365	0293-24-1450	68,741		-
English Language Acquisition Grants	84.365	0293-25-1450	282,157	350,898	-
Supporting Effective Instruction State Grant	84.367	0147-24-1450	99,365		-
Supporting Effective Instruction State Grant	84.367	0147-25-1450	375,208	474,573	-
Student Support and Academic Enrichment Grants	84.424	0204-25-1450	4,216	4,216	-
Twenty-First Century Community Learning Centers	84.287	0187-24-8012	396		-
Twenty-First Century Community Learning Centers	84.287	0187-25-8012	982,631	983,027	-
APR Homeless II	84.425W	5218-21-1450	107,205		-
APR ESSER - Expanded UPK	84.425U	5870-24-9124	(108,881)		-
ARP ESSER3	84.425U	5880-21-1450	845,546		-
APR ESSER - Summer Entrenchment	84.425U	5882-21-1415	68,799		-
ARP ESSER - SLR Comprehensive	84.425U	5883-21-1415	43,242		-
ARP ESSER - Learning Loss	84.425U	5884-21-1415	641,922	1,597,833	-
Total U.S. Department of Education			6,437,301	6,437,301	-
U.S. Department of Agriculture					
Passed - Through Programs From:					
New York State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	10.553	N/A	1,272,249	1,272,249	-
After School Snack Program	10.555	N/A	123,556		-
National School Lunch Program	10.555	N/A	3,594,959		-
National School Lunch Program (Surplus Food)	10.555	N/A	150,506	3,869,021	-
Total U.S. Department of Agriculture			5,141,270	5,141,270	-
TOTAL FEDERAL EXPENDITURES			$11,578,571	11,578,571	-

See accompanying notes to schedule of expenditures of federal awards.

HEMPSTEAD UNION FREE SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Hempstead Union Free School District (the District) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

2. Basis of Accounting

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

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

3. Indirect Costs

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The de minimis election allows the District to allocate 10% of indirect costs to grants with periods ending on or before September 30, 2024 and 15% of indirect costs to grants with periods after September 30, 2024. The District does not use the de minimis election.

4. Subrecipients

No amounts were provided to subrecipients.

5. Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies. There were no loans or loan guarantees outstanding at year end.

6. Major Program Determination

The District was deemed to be a "low-risk auditee", therefore, major programs were determined based on 20% of total federal award expenditures.

HEMPSTEAD UNION FREE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	____Yes __x__No
2. Significant deficiency(ies) identified?	____Yes __x__None reported
3. Noncompliance material to financial statements noted?	____Yes __x__No

Federal Awards:

Internal control over major programs:	
4. Material weakness(es) identified?	____Yes __x__No
5. Significant deficiency(ies) identified?	__x__Yes ____None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?	____Yes __x__No
7. The District's major programs audited were:	

Name of Federal Programs	Assistance Listing Number
Special Education Cluster	84.027/84.173
Twenty-First Century Community Learning Centers	84.287

8. Dollar threshold used to distinguish between Type A and Type B programs.	$750,000
9. Auditee qualified as low-risk auditee?	__x__Yes ____No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See page 11.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

See page 12.

Part II - FINANCIAL STATEMENT FINDINGS SECTION

(2025-001) New York State Property Tax Law §1318 - Noncompliance

Criteria - New York State 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 of the General Fund for the ensuing year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts assigned for the subsequent year and encumbrances are also excluded from the 4% limitation.

Condition - The District's unrestricted fund balance at June 30, 2025 after excluding amounts assigned for the subsequent year and encumbrances, was in excess of the New York State Real Property Tax Law §1318 limit. For the year ended June 30, 2025, this portion of the District's unrestricted fund balance is $30,824,863, which is 8.59% of the 2025-26 voter approved General Fund budget.

Cause - Funding of reserves and appropriation of unassigned for the 2025-26 budget was insufficient to be in compliance with NYS Real Property Tax Law §1318.

Effect of Condition - The District is not in compliance with NYS Real Property Tax Law §1318.

Repeat Finding - This is a repeat finding of item 2024-001 as reported for the year ended June 30, 2024.

Recommendation - We recommend that the District develop a plan to rationally appropriate unassigned fund balance so as to be in compliance with NYS Real Property Tax Law §1318.

View's of Responsible Officials and Planned Corrective Actions - See corrective action plan on page 14.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

Federal Agency - United States Department of Education

Federal Program - Special Education Cluster - (84.027/84.173)

Federal Award Year - 2025

State Agency - New York State Department of Education

(2025-002) Missing Claims Auditor Approval - Significant Deficiency

Criteria - New York State requires claims auditor approval prior to payment of expenditures.

Condition - During our audit of the Special Education Cluster, the claims auditor approval was missing from 1 of 4 selections.

Cause - The required cash disbursement procedures were not followed.

Effect of Condition - Improper funds were disbursed by the District that did not follow New York State requirements.

Recommendation - We recommend that checks do not get signed without evidence that the claims auditor approved the expenditure.

Questioned Costs - None.

Perspective - It is likely that this issue is pervasive to other cash disbursements that were not selected for testing during the audit for the year ended June 30, 2025.

View of Responsible Officials and Planned Corrective Actions - See corrective action plan on page 14.

HEMPSTEAD UNION FREE SCHOOL DISTRICT

Status of Prior Year Audit Findings

Year ended June 30, 2025

Reference: 2024-001

Condition - The District's general fund unassigned fund balance was in excess of 4% of the 2024-2025 budgeted appropriations as of June 30, 2024.

Status - As of June 30, 2025, the District remains in excess of 4%. This finding is repeated in the current year as finding 2025-001.

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Hempstead Union Free School District
Corrective Action Plan
June 30, 2025

Current Finding (2025-001) New York State Property Tax Law § 1318

The District's unrestricted fund balance at June 30, 2025 after excluding amounts assigned for the subsequent year and encumbrances, was in excess of the New York State Real Property Tax Law §1318 limit. For the year ended June 30, 2025, this portion of the District's unrestricted fund balance is $30,824,863, which is 8.59% of the 2025-26 voter approved General Fund budget.

Corrective Action Plan

(a) Implementation plan of actions: Management will closely monitor fund balance throughout the following fiscal year and during the budget planning process.
(b) Implementation date: This will be implemented on March 31, 2026.
(c) Person responsible for implementation: Jamal Scott, Assistant Superintendent for Business and Operations.
(d) Completion date: This will be completed on or prior to June 30, 2026.

Current Finding (2025-002) Missing Claims Auditor Approval

As a part of the Special Education Cluster, the claims auditor approval was missing from 1 of 4 selections. Improper funds were distributed by the District that did not follow New York State requirements.

Corrective Action Plan

(a) Implementation plan of actions: Management will ensure that all call disbursements have been reviewed by the claims auditor prior to releasing checks.
(b) Implementation date: This will be implemented on March 31, 2026.
(c) Person responsible for implementation: Jamal Scott, Assistant Superintendent for Business and Operations.
(d) Completion date: This will be completed on or prior to June 30, 2026.