

VALLEY STREAM TEACHERS ASSOCIATION
WELFARE FUND
VALLEY STREAM, NEW YORK

FINANCIAL STATEMENTS
JUNE 30, 2024

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SKINNON AND FABER

Certified Public Accountants, P.C.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of the
Valley Stream Teachers Association Welfare Fund
Valley Stream, New York

We have reviewed the accompanying financial statements of the Valley Stream Teachers Association Welfare Fund (a nonprofit organization), which comprise the Statement of Benefit Obligations and Net Assets Available for Benefits as of June 30, 2024, and the related Statement of Changes in Benefit Obligations and Net Assets Available for Benefits for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Valley Stream Teachers Association Welfare Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.



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Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPAs, P.C.
Hauppauge, New York
November 6, 2024

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
STATEMENT OF BENEFIT OBLIGATIONS AND
NET ASSETS AVAILABLE FOR BENEFITS
JUNE 30, 2024

BENEFIT OBLIGATIONS

Dental Care Benefits	\$	91,632
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		<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">91,632</div>
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NET ASSETS

Cash, Cash Equivalents, and Investments		<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">404,558</div>
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		<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">404,558</div>
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Net Assets Available for Benefits		<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">404,558</div>
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Excess of Net Assets Available for Benefits Over Benefit Obligations	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">312,926</div>
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See Notes to the Financial Statements

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
STATEMENT OF CHANGES IN BENEFIT OBLIGATIONS
AND NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED JUNE 30, 2024

NET CHANGE IN BENEFIT OBLIGATIONS	<u>\$ (4,245)</u>
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NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS

ADDITIONS:

District Contributions	1,227,304
Cobra	26,358
Interest Income	<u>9,952</u>
Total Additions	<u>1,263,614</u>

DEDUCTIONS:

Benefits for Members:	
Dental, Vision, Excess Major Medical	<u>1,099,851</u>
Total Benefits for Members	<u>1,099,851</u>

Administrative Expenses:

Professional Fees	153,697
Rent Expense	18,200
Director's Fees	12,912
Accounting Fees	6,090
General Insurance	5,679
Office Expense	776
Bank Fees	<u>190</u>
Total Administrative Expenses	<u>197,544</u>

Total Deductions	<u>1,297,395</u>
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Net Change in Net Assets Available for Benefits	<u>(33,781)</u>
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Net Change in Net Assets Available for Benefits over Benefit Obligations	(29,536)
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Excess of Net Assets Available for Benefits over Benefit Obligations:

Beginning of Year	<u>342,462</u>
End of Year	<u><u>\$ 312,926</u></u>

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

I. DESCRIPTION OF WELFARE FUND

The Valley Stream Teachers Association Welfare Fund (the “Welfare Fund”) was established in 1976 as a result of negotiations between the Valley Stream Teachers’ Association and the four Valley Stream Boards of Education for the purpose of providing dental insurance for the majority of the staff of the four districts. Over time, excess major medical insurance and vision care coverage were also offered.

The Welfare Fund consists of five trustees, elected to three-year terms by the VSTA Executive Council, who oversee the operation of the Welfare Fund. The trustees meet several times throughout the year. They retain the services of a Director, who is responsible for the day-to-day operation of the Welfare Fund, along with all record keeping and financial transactions.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements of the Welfare Fund have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

The Welfare Fund considers all highly liquid instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

Cash and cash equivalents include bank accounts as well as certificates of deposit purchased with a three-month maturity or less. Interest income on the certificates of deposit is recorded as income when earned. At June 30, 2024, cash and cash equivalents consisted of \$135,197.

Investments

Investments include certificates of deposit purchased with a maturity greater than three months. Interest income on the certificates of deposit is recorded as income when earned. At June 30, 2024, investments consisted of \$269,361 held in commercial banks.

Fair Value Measurements

The Welfare Fund follows guidance that established a framework for measuring fair value by utilizing a fair value hierarchy based on the inputs used to measure fair value and enhancing disclosure requirements for fair value measurements. The guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The fair value hierarchy categorizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within level 1, that are observable for an asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

Revenue and Expense Recognition

The Welfare Fund complies with and accounts for its revenues in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*.

The following are the significant revenue recognition accounting policies of the Welfare Fund:

District Contributions – District contributions, received from the Valley Stream School Districts, are recognized on the accrual basis. Contributions are recorded as revenue when earned. Contributions received in advance are recorded as deferred revenue until such conditions are met, at which point they are recognized as revenue. The contributions include dues paid by the school districts, which are a fixed rate per member per month, and dues paid by members based on the individual or family plan. The Welfare Fund utilizes these funds to pay members' health benefits.

Other Revenue – Revenue from COBRA is reported at an amount that reflects the consideration to which the Welfare Fund expects to be entitled in exchange for providing administrative and benefit coverage to members. Revenue is recognized over the period in which the related performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Expenses are recognized as incurred under the accrual basis of accounting.

The Use of Estimates in the Preparation of Financial Statements

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Benefit Obligations

The Welfare Fund's obligation for claims incurred but not reported by the fiscal year end are estimated from available information for active members and retirees, and reported in a separate section of the Statement of Benefit Obligations and Net Assets Available for Benefits.

Income Taxes

The Welfare Fund is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(9) and as such, has made no provision for income taxes in the accompanying financial statements. The Welfare Fund has evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for the year ended June 30, 2024.

III. FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis as of June 30, 2024, are as follows:

Description	Fair Value	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 269,361	\$ 269,361	-	-

IV. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Welfare Fund has \$404,558 of financial assets available within one year of the statement of benefit obligations and net assets available for benefits date to meet cash needs for general expenses. The Welfare Fund has a goal to maintain financial assets, which consist of cash and investments on hand to meet 60 days of normal operating expenses, which average approximately \$215,500.

The following reflects the Welfare Fund's financial assets as of June 30, 2024, reduced by amounts not available for general use within one year of the statement of benefit obligations and net assets available for benefits date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by Board designations that could be drawn upon if the Board of Trustees approves that activity.

Cash, Cash Equivalents, and Investments	\$ 404,558
Total Financial Assets	<u>404,558</u>
Financial Assets Available to Meet Cash Needs For General Expenses Within One Year	<u><u>\$ 404,558</u></u>

VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

V. CONCENTRATIONS OF RISK

The Welfare Fund maintains cash, cash equivalents, and investments in multiple depositories. There is a risk of loss of these funds, to the extent not covered by the Federal Deposit Insurance Corporation (FDIC) insurance coverage. At June 30, 2024, balances with one of the Welfare Fund's financial institutions totaled \$269,361. The Welfare Fund has not experienced any losses on its cash deposits.

Substantially all revenue is received from one source, the Valley Stream School District. The ability of the Welfare Fund to provide members with benefits would be virtually impossible should this source of revenue cease.

VI. COMMITMENTS AND CONTINGENCIES

The Welfare Fund shares office space with the Valley Stream Teachers Association (the Association) and has agreed they are responsible for a percentage of the occupancy costs for the shared space. The percentage is calculated based on the proposed yearly budget of the Association. At June 30, 2024, the Welfare Fund's reimbursement for occupancy of the office premises for the year then ended was \$18,200.

VII. SUBSEQUENT EVENTS

There were no events subsequent to June 30, 2024 and the date that these financial statements were available to be issued, November 6, 2024, that would have a material impact on these financial statements.