

VALLEY STREAM TEACHERS ASSOCIATION  
WELFARE FUND  
VALLEY STREAM, NEW YORK

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FINANCIAL STATEMENTS  
JUNE 30, 2025

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Trustees  
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, 2025, 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.

### **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  
October 21, 2025

**VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND**  
**STATEMENT OF BENEFIT OBLIGATIONS AND**  
**NET ASSETS AVAILABLE FOR BENEFITS**  
**JUNE 30, 2025**

**BENEFIT OBLIGATIONS**

Dental Care Benefits	\$ 97,963
Total Benefit Obligations	<u>97,963</u>

**NET ASSETS**

Cash, Cash Equivalents, and Investments	<u>330,893</u>
Total Net Assets	<u>330,893</u>
Net Assets Available for Benefits	<u>330,893</u>
Excess of Net Assets Available for Benefits Over Benefit Obligations	<u><u>\$ 232,930</u></u>

*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, 2025**

<b>NET CHANGE IN BENEFIT OBLIGATIONS</b>	<u>\$ 6,331</u>
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**NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS**

**ADDITIONS:**

District Contributions	1,270,223
COBRA	25,450
Interest Income	<u>10,338</u>
Total Additions	<u>1,306,011</u>

**DEDUCTIONS:**

Benefits for Members:	
Dental, Vision, Excess Major Medical	<u>1,174,897</u>
Total Benefits for Members	<u>1,174,897</u>

Administrative Expenses:

Professional Fees	158,629
Rent Expense	18,200
Director's Fees	12,912
General Insurance	6,758
Accounting Fees	6,675
Office Expense	825
Bank Fees	<u>780</u>
Total Administrative Expenses	<u>204,779</u>

Total Deductions	<u>1,379,676</u>
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Net Change in Net Assets Available for Benefits	<u>(73,665)</u>
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Net Change in Net Assets Available for Benefits over Benefit Obligations	(79,996)
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Excess of Net Assets Available for Benefits over Benefit Obligations:

Beginning of Year	<u>312,926</u>
End of Year	<u><u>\$ 232,930</u></u>

**VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**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 (the "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 Association 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 operations of the Welfare Fund.

**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, 2025, cash and cash equivalents consisted of \$115,057.

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, 2025, investments consisted of \$215,836 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. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and the lower priority to unobservable inputs (Level 3). If the inputs used to measure the assets fall within more than one level of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the assets.

**VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Investments recorded in the financial statements are categorized based on the inputs to valuation techniques as follows:

Level 1 – These are assets where values are based on the unadjusted quoted prices for identical assets in an active market that the Welfare Fund has the ability to access. All investments currently held by the Welfare Fund are considered to be level 1.

Level 2 – These are assets where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the assets. The Welfare Fund currently has no level 2 assets.

Level 3 – These are assets where values are based on process or valuation techniques that require inputs that are both observable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions markets participants would use in pricing the assets. The Welfare fund currently has no level 3 assets.

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. Contributions consist of dues paid by the school districts, calculated at a fixed rate per member per month. Dues paid by members are based on the individual or family plan rates. 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 to in exchange for providing administrative and health 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, 2025**

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, 2025.

**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, 2025, are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of Deposit	\$ 215,836	\$ 215,836	\$ -	\$ -

**IV. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Welfare Fund has \$330,893 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 \$230,000.

The following reflects the Welfare Fund's financial assets as of June 30, 2025, 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	<u>\$ 330,893</u>
Total Financial Assets	<u>330,893</u>
Financial Assets Available to Meet Cash Needs For General Expenses Within One Year	<u><u>\$ 330,893</u></u>

**VALLEY STREAM TEACHERS ASSOCIATION WELFARE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**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. 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 has entered into an agreement with an outside claims administrator and paying agent to manage claims processing and related administrative functions on behalf of the Welfare Fund.

**VII. RELATED PARTIES**

The Welfare Fund shares office space with the Association and reimburses the Association for a proportionate share of occupancy costs based on the Association's proposed annual budget. For the year ended June 30, 2025, the Welfare Fund's reimbursement for office occupancy totaled \$18,200.

The Welfare Fund retains the services of the Association's Treasurer, who is responsible for maintaining the Welfare Fund's accounting records and overseeing financial transactions.

**VIII. SUBSEQUENT EVENTS**

There were no events subsequent to June 30, 2025 and the date that these financial statements were available to be issued, October 21, 2025, that would have a material impact on these financial statements.