

**CHEEKTOWAGA-SLOAN UNION FREE  
SCHOOL DISTRICT**

**Financial Statements As of And  
For the Year Ended June 30, 2022  
Together With Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

# CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

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**INDEPENDENT AUDITOR'S REPORT**

October 12, 2022

To the Board of Education of the  
Cheektowaga-Sloan 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 aggregate remaining fund information of the Cheektowaga-Sloan Union Free School District (the District) as of and for the year ended June 30, 2022, 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 aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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.

***Change in Accounting Principle***

As described in Note 14 to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. 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 these 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, and schedules of contributions - pension plans, and proportionate share of the net pension liability (asset) 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 consider 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change From Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund, the Schedule of Project Expenditures - Capital Projects Fund, and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required By Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2022, 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.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Management's Discussion and Analysis (Unaudited) June 30, 2022

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The following is a discussion and analysis of the Cheektowaga–Sloan Union Free School District's (the District) financial performance for the fiscal year ended June 30, 2022. The 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 government-wide and fund level financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

#### FINANCIAL HIGHLIGHTS

- The District experienced a increase of approximately \$7.1 million in total net position during the year. The increase in net position was caused by factors such as current year operating activities, the change in actuarial valuations related to pension costs and the capitalization of purchased assets.
- In the District-wide financial statements for 2021-2022, total revenue increased by approximately \$2.3 million from 2020-2021. Expenses for the District decreased by approximately \$628 thousand in 2021-2022 from 2020-2021.
- The District's 2022 total revenue in the General Fund exceeded its budgeted revenue by approximately \$2.5 million. The major causes for the revenue in excess of budgeted amounts were sales tax receipts from Erie County, miscellaneous revenues from refunds of prior year expenditures, aid from New York State and Federal aid to assist with COVID pandemic costs. The District's General Fund was below its budgeted expenditures by approximately \$3.9 million, this was primarily due to saving in control of costs in employee salaries and benefits and maintenance of facilities and special education areas.
- At June 30, 2022, the District's governmental fund financial statements reported combined fund balances of \$31.2 million, an increase of \$4.6 million from June 30, 2021. This increase resulted from current operations.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required 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 Governmental fund financial statements that focus on individual activities of the District, reporting the operation in more detail than the District-wide statements.
- The Governmental fund 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.

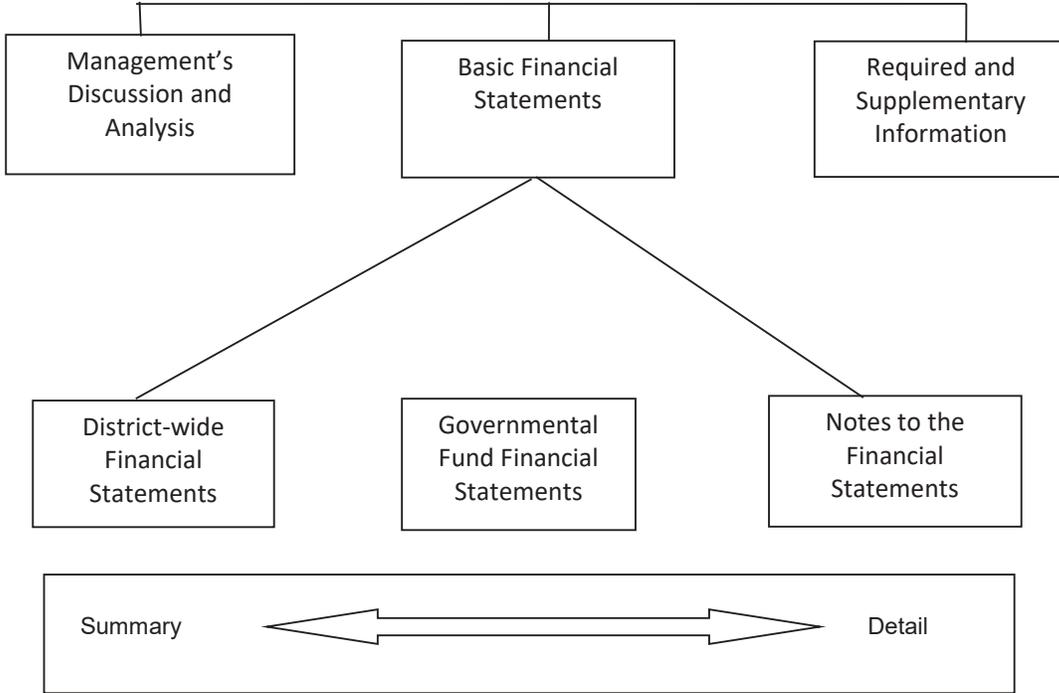
The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison to the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management's Discussion and Analysis (Unaudited)  
June 30, 2022**

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**Table A-1** Organization of the District's Annual Financial Report



**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2022**

Table A-2 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 highlights the structure and contents of each statement.

**Table A-2** Major Features of the District-Wide and Fund Financial Statements

	District-Wide	Governmental Funds
Scope	Entire District	The day-to-day operating activities of the District, such as instruction and special education
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balance</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows and liability/deferred inflows information	All assets/deferred outflows and liabilities/deferred inflows, both financial and capital, short-term and long-term	Assets, deferred inflows/outflows of resources, and liabilities that come due during the year or soon after; no capital assets or long term liabilities included
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

**District-Wide Statements**

The District-wide 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 liabilities. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Management's Discussion and Analysis (Unaudited) June 30, 2022

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional nonfinancial factors, such as changes in the property tax base and the condition of buildings and other facilities, should be considered.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. In addition, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Net investment in capital assets.
  - Restricted net position includes amounts with constraints placed on use by external sources or imposed by law.
  - Unrestricted net position is net position that does not meet any of the above restrictions.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes or to show that it is properly using certain revenues.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2022**

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Governmental Funds: All of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out of the District and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explain the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the General fund, Special Aid fund, School Lunch fund, Miscellaneous Special Revenue fund, and the Capital Projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

**Financial Analysis of the District As a Whole**

Our analysis below focuses on the net position (Table A-3) and the change in net position (Table A-4) of the District-wide governmental activities.

**Table A-3** Condensed Statements of Net Position - Governmental Activities

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Current assets	\$ 38,518,659	\$ 35,248,622	9.3%
Non-current assets	32,137,039	34,879,085	-7.9%
Total assets	<u>70,655,698</u>	<u>70,127,707</u>	0.8%
Deferred outflows of resources	<u>8,369,562</u>	<u>8,605,722</u>	-2.7%
Current liabilities	4,418,158	4,813,300	-8.2%
Long-term liabilities	<u>13,664,369</u>	<u>17,514,809</u>	-22.0%
Total liabilities	<u>18,082,527</u>	<u>22,328,109</u>	-19.0%
Deferred inflows of resources	<u>18,139,383</u>	<u>7,982,711</u>	127.2%
Net position:			
Net investment in capital assets	16,850,272	17,576,354	-4.1%
Restricted	21,705,489	18,379,276	18.1%
Unrestricted	<u>16,968,299</u>	<u>12,466,979</u>	36.1%
Total net position	<u>\$ 55,524,060</u>	<u>\$ 48,422,609</u>	14.7%

In Table A-3, total assets at June 30, 2022 increased by approximately \$528 thousand from June 30, 2021. This was primarily due to 9.3% increase in current assets. This was primarily due to increased cash and cash equivalents as a result of current year operating activities.

Deferred inflows of resources increased by approximately \$10.2 million due to the changes in the valuation of the NYS retirement system calculation and the contributions to the plans made subsequent to the measurement dates of the respective valuations.

Total liabilities decreased by approximately \$4.2 million from June 30, 2021. This was primarily due to principal payments made on long-term debt (serial bonds) and changes in pension liabilities.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2022**

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**Table A-4** Changes in Net Position from Operating Results - Governmental Activities

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
<b>Revenue:</b>			
Charges for services	\$ 107,846	\$ 207,628	-48.1%
Operating grants	3,321,282	1,767,565	87.9%
Capital grants	-	50,000	100.0%
<b>General revenue:</b>			
Real property taxes	12,709,490	12,167,705	4.5%
Other tax items	4,849,922	4,971,382	-2.4%
Use of money and property	41,051	14,725	178.8%
Federal and state sources	19,515,062	19,417,372	0.5%
Other	1,057,292	704,138	50.2%
<b>Total revenue</b>	<b><u>41,601,945</u></b>	<b><u>39,300,515</u></b>	<b>5.9%</b>
<b>Expenses:</b>			
General support	4,645,668	4,887,733	-5.0%
Instruction	26,724,511	27,947,616	-4.4%
Pupil transportation	2,192,915	1,524,150	43.9%
Interest	421,282	474,721	-11.3%
School lunch	898,283	676,521	32.8%
<b>Total expenses</b>	<b><u>34,882,659</u></b>	<b><u>35,510,741</u></b>	<b>-1.8%</b>
<b>Change in net position</b>	<b><u>\$ 6,719,286</u></b>	<b><u>\$ 3,789,774</u></b>	<b>77.3%</b>

**Changes in Net Position**

In Table A-4 the District’s fiscal year revenue for 2021-2022 totaled \$41,601,945, a increase of 5.9%.

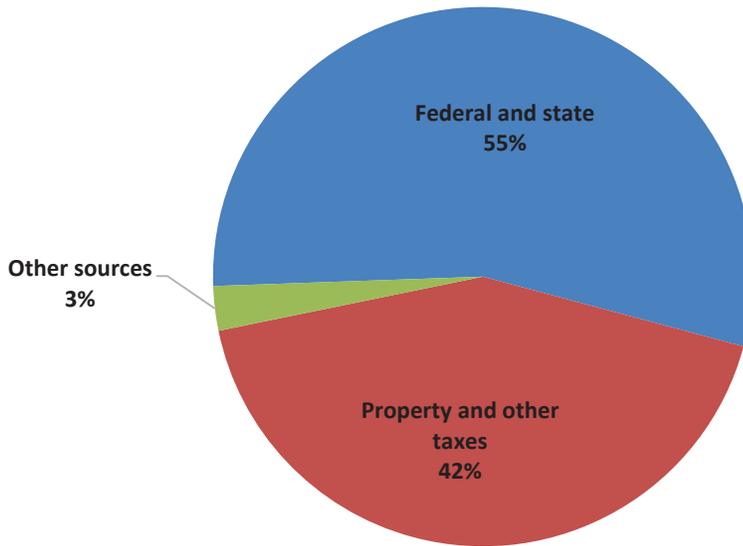
The total cost of all programs and services totaled \$34,882,659 for 2021-2022, a decrease of -1.8% over 2020-2021. This was due to a decreases in salaries, health insurance, and pension expenses.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

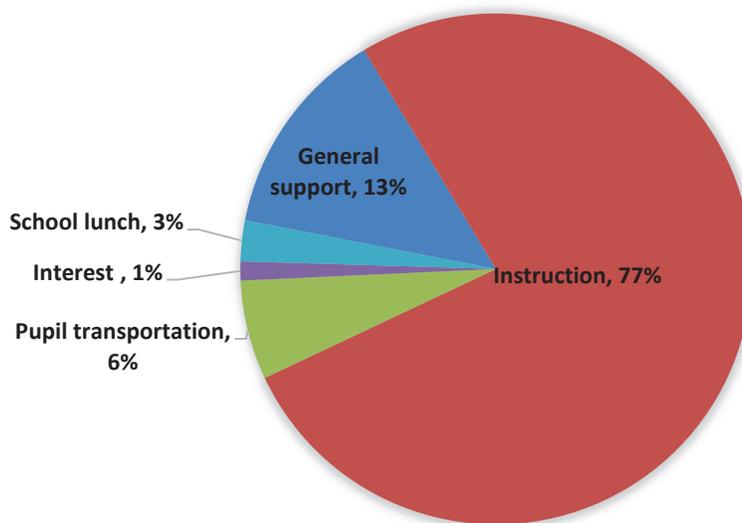
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2022**

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**Table A-5 Sources of Revenue for Fiscal Year 2022**



**Table A-6 Expenditures for Fiscal Year 2022**



**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2022**

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**Financial Analysis of the District’s Funds**

Variations between years for the governmental fund financial statements are not the same as variations between 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 purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

At June 30, 2022, the District, in its governmental funds, reported combined fund balances of \$31.2 million, an increase of \$4.6 million from the prior year. The District had planned a deficit of \$2.3 million in the General Fund 2021-2022 budget. The District received certain unanticipated revenues and realized cost savings in many areas. These cost saving measures and additional revenues provided the District with a significant increase in fund balance in the governmental funds.

**General Fund Budgetary Highlights**

This section presents an analysis of significant variations between original and final budget amounts and between final budget amounts and actual results for the General Fund.

**Table A-7 Results vs. Budget**

	Original Budget	Final Budget	Actual	Encumbrances	Variance Positive (Negative)
Revenue:					
Local sources	\$ 17,200,892	\$ 17,202,475	\$ 18,546,748	\$ -	\$ 1,344,273
Federal and state sources	17,658,839	17,658,839	18,830,790	-	1,171,951
Total	<u>34,859,731</u>	<u>34,861,314</u>	<u>37,377,538</u>	-	<u>2,516,224</u>
Expenses:					
General support	4,582,462	4,909,461	3,908,073	368,497	632,891
Instruction	20,202,238	20,696,087	18,191,755	221,738	2,282,594
Pupil Transportation	2,654,305	2,654,305	2,105,131	-	549,174
Community services	17,050	17,050	-	-	17,050
Employee benefits	7,200,382	6,464,482	6,202,710	-	261,772
Debt service	2,373,294	2,373,294	2,379,516	-	(6,222)
Net transfers	210,000	210,000	84,276	-	125,724
Total	<u>37,239,731</u>	<u>37,324,679</u>	<u>32,871,461</u>	<u>590,235</u>	<u>3,862,983</u>
Revenue over (under) expense	<u>\$ (2,380,000)</u>	<u>\$ (2,463,365)</u>	<u>\$ 4,506,077</u>	<u>\$ 590,235</u>	<u>\$ 6,379,207</u>

The General Fund is the only fund for which a budget is legally adopted. For the purposes of the above analysis, the budget columns do not include appropriated fund balance.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2022**

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In the General Fund, the following significant variances between budget and actual occurred during fiscal 2021 - 2022:

- Total revenues exceeded the final budget by \$2.5 million. Positive variances included:
  - Other tax items – the positive budget in this area was from sales taxes collected based on taxable sales within Erie County.
  - Miscellaneous – revenues in this area exceeded budgetary estimate due to amounts refunded from BOCES and a refund of expenditures recorded in the prior year.
  - Federal and state source positive revenue variances are the result of changes in State aid based on higher actual expenditures in the prior year for transportation and special education. In addition, Federal sources included aid provided to the District to combat the effects of the COVID pandemic.
  
- Total expenditures and encumbrances were less than the final budget by \$3.9 million. The most significant positive budgetary variances were noted in Central Services (\$365,725), Teaching-Regular School (\$799,228), Programs for Children with Handicapping Conditions (\$601,975), Pupil Services (\$343,625) and Pupil Transportation (\$549,174).
  - The budgetary savings in the Central Service, Teaching-Regular School, Programs for Children with Handicapping Conditions, Pupil Services and Employee Benefits were the result of several employees leaving service and not being replaced during the COVID pandemic.
  - The budgetary savings in the Pupil Transportation category is the result of significantly lower service levels from our contracted bus vendor. This was due to lack of bus drivers and discontinuance of field trips and after school buses.

**Capital Assets**

As of June 30, 2022, the District had an investment of \$32.5 million in a broad range of capital assets including land, construction in progress, buildings, vehicles, athletics facilities, computers and other educational equipment. During the year ended June 30, 2022 the District’s net value in capital assets decreased by 7.8% due to current year depreciation during the year. More detailed information is presented within the notes to the financial statements.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2022**

**Table A-8** Capital Assets (net of depreciation)

	Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>	Percent Change
Land	\$ 367,638	\$ 367,638	0.0%
CIP	12,000	-	100.0%
Outdoor improvements	2,439,627	2,612,974	-6.6%
Buildings	28,671,744	31,144,863	-7.9%
Machinery and equipment	476,660	464,439	2.6%
Licensed vehicles	259,623	289,171	-10.2%
Right-to-use lease asset	<u>289,385</u>	<u>382,165</u>	-24.3%
 Total	 <u>\$ 32,516,677</u>	 <u>\$ 35,261,250</u>	 -7.8%

**Long-Term Debt**

At year-end, the District had \$15.7 million in general obligation bonds outstanding and other long-term liabilities. More detailed information about the District’s long-term liabilities is presented in the notes to the financial statements.

**Table A-9** Outstanding Long-Term Debt

	Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>	Percent Change
General obligation bonds	\$ 15,377,020	\$ 17,302,731	-11.1%
Compensated absences	<u>278,825</u>	<u>316,164</u>	-11.8%
	<u>\$ 15,655,845</u>	<u>\$ 17,618,895</u>	-11.1%

**FACTORS BEARING ON THE FUTURE OF THE DISTRICT**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- A continuing challenge facing the District is the state of the economy and its effect on funding from New York State. The District is highly dependent upon two revenue sources – Real Property Taxes and aid from New York State. New York State has imposed a Tax Cap, which makes any significant increase in Real Property Tax revenues a difficult prospect. The District has received some increases in aid from New York State in each of the past several years; however, funding at current levels from New York State is not guaranteed. The COVID-19 pandemic has created significant challenges to predicting future funding levels from New York State. This provides a challenge to the District to continue funding instructional programs at current levels, and long-term planning is very difficult. The District has for several years successfully increased fund balance reserves to assist with any downturn in economic conditions.
- The impact of increases in minimum wage rates in New York State over the past several years has begun to put pressure on certain District operations. These increases in minimum wage serve to increase salaries and benefits and have made it more difficult to hire and retain certain staff.

## **CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2022**

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### **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 the District's accountability with the funds it receives. If you have any questions about this report or need additional financial information, please contact: Cheektowaga-Sloan Union Free School District Business Office, 166 Halstead Avenue, Sloan, New York 14212.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Statement of Net Position

June 30, 2022

#### ASSETS

##### CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 23,902,248
Cash and cash equivalents - restricted	5,700,184
Investments	5,375,170
Other receivables	39,005
State and federal aid receivable	2,892,961
Due from other governments	562,555
Inventory	46,536
Total current assets	<u>38,518,659</u>

##### NON-CURRENT ASSETS:

Capital assets - nondepreciable	379,638
Capital assets - depreciable, net	32,137,039
Net pension asset-ERS	679,234
Net pension asset-TRS	11,661,838
Total non-current assets	<u>44,857,749</u>
Total assets	<u>83,376,408</u>

#### DEFERRED OUTFLOWS OF RESOURCES

Pension related-TRS	6,900,673
Pension related-ERS	1,468,889
Total deferred outflows of resources	<u>8,369,562</u>

#### LIABILITIES

##### CURRENT LIABILITIES:

Accounts payable	669,797
Accrued liabilities	131,292
Due to other governments	168
Due to Teachers' Retirement System	1,238,193
Due to Employees' Retirement System	84,610
Bonds payable due within one year	1,935,711
Compensated absences due within one year	55,765
Unearned revenue	104,706
Accrued interest	197,916
Total current liabilities	<u>4,418,158</u>

##### LONG-TERM LIABILITIES:

Bonds payable	13,441,309
Compensated absences payable	223,060
Total long-term liabilities	<u>13,664,369</u>
Total liabilities	<u>18,082,527</u>

#### DEFERRED INFLOWS OF RESOURCES

State aid and tuition	2,775,902
Pension related-ERS	2,416,778
Pension related-TRS	12,946,703
Total deferred inflows of resources	<u>18,139,383</u>

#### NET POSITION

Net investment in capital assets	16,850,272
Restricted	21,705,489
Unrestricted	16,968,299
Total net position	<u>\$ 55,524,060</u>

The accompanying notes are an integral part of these statements.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Statement of Activities  
For the Year Ended June 30, 2022**

	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>FUNCTIONS/PROGRAMS:</b>					
General support	\$ 4,645,668	\$ -	\$ -	\$ -	\$ (4,645,668)
Instruction	26,724,511	59,274	2,314,442	-	(24,350,795)
Pupil transportation	2,192,915	-	-	-	(2,192,915)
Interest	421,282	-	-	-	(421,282)
School lunch	898,283	48,572	1,006,840	-	157,129
Total functions/programs	<u>\$ 34,882,659</u>	<u>\$ 107,846</u>	<u>\$ 3,321,282</u>	<u>\$ -</u>	<u>(31,453,531)</u>
<b>GENERAL REVENUE:</b>					
Real property taxes					12,709,490
Other tax items					4,849,922
State sources					18,971,375
Federal sources					393,703
Medicaid reimbursement					149,984
Use of money and property					41,051
Miscellaneous					1,057,272
Sale of property and compensation for loss					20
Total general revenue					<u>38,172,817</u>
CHANGE IN NET POSITION					<u>6,719,286</u>
NET POSITION - beginning of year, as previously reported					48,422,609
PRIOR PERIOD ADJUSTMENT (See Note 14)					<u>382,165</u>
NET POSITION - beginning of year, as restated					<u>48,804,774</u>
NET POSITION - end of year					<u>\$ 55,524,060</u>

The accompanying notes are an integral part of these statements.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Balance Sheet - Governmental Funds  
June 30, 2022**

	General	Special Aid	Nonmajor Funds	Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 23,639,171	\$ 15,287	\$ 247,790	\$ 23,902,248
Cash and cash equivalents - restricted	4,009,855	-	1,690,329	5,700,184
Investments	5,375,170	-	-	5,375,170
Due from other funds	1,106,520	-	-	1,106,520
State and federal aid receivable	1,520,728	1,192,968	179,265	2,892,961
Due from other governments	562,555	-	-	562,555
Other receivables	27,936	-	11,069	39,005
Inventory	-	-	46,536	46,536
Total assets	<u>\$ 36,241,935</u>	<u>\$ 1,208,255</u>	<u>\$ 2,174,989</u>	<u>\$ 39,625,179</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 569,773	\$ 100,024	\$ -	\$ 669,797
Accrued liabilities	128,715	540	2,037	131,292
Due to other funds	-	1,008,129	98,391	1,106,520
Due to Teachers' Retirement System	1,238,193	-	-	1,238,193
Due to Employees' Retirement System	84,610	-	-	84,610
Due to other governments	-	-	168	168
Unearned revenue	-	99,562	5,144	104,706
Total liabilities	<u>2,021,291</u>	<u>1,208,255</u>	<u>105,740</u>	<u>3,335,286</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflow - State Aid	5,086,217	-	-	5,086,217
Deferred revenue - Tuition	24,781	-	-	24,781
Total deferred inflows of resources	<u>5,110,998</u>	<u>-</u>	<u>-</u>	<u>5,110,998</u>
<b>FUND BALANCES:</b>				
Nonspendable -				
Inventory	-	-	46,536	46,536
Restricted for -				
Employee benefit accrued liability	2,340,184	-	-	2,340,184
Tax certiorari	83,628	-	-	83,628
Capital reserve	10,212,152	-	-	10,212,152
Retirement contribution	6,704,763	-	-	6,704,763
Workers' compensation	300,106	-	-	300,106
Insurance	31,652	-	-	31,652
Debt service	542,011	-	-	542,011
Unemployment reserve	10,551	-	-	10,551
Other	15,951	-	1,743,316	1,759,267
Total restricted	<u>20,240,998</u>	<u>-</u>	<u>1,743,316</u>	<u>21,984,314</u>
Committed				
Capital	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>
Assigned				
Other	590,235	-	279,397	869,632
Appropriated for subsequent year's expenditures	2,400,000	-	-	2,400,000
Total assigned	<u>2,990,235</u>	<u>-</u>	<u>279,397</u>	<u>3,269,632</u>
Unassigned				
	<u>1,878,413</u>	<u>-</u>	<u>-</u>	<u>1,878,413</u>
Total fund balances	<u>29,109,646</u>	<u>-</u>	<u>2,069,249</u>	<u>31,178,895</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,241,935</u>	<u>\$ 1,208,255</u>	<u>\$ 2,174,989</u>	<u>\$ 39,625,179</u>

The accompanying notes are an integral part of these statements.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
June 30, 2022**

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 31,178,895
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.	32,516,677
Deferred outflows/inflows of resources related to pensions are applicable to future periods and; therefore, are not reported in the funds.	
Deferred outflows - ERS/TRS	8,369,562
Deferred inflows - ERS/TRS	(15,363,481)
Net pension obligations are not due and payable in the current period and; therefore are not reported in the funds.	
Net pension asset - TRS	11,661,838
Net pension asset - ERS	679,234
Bonds payable are not due and payable in the current period and; therefore, are not reported in the funds.	(15,377,020)
Accrued interest on bonds is recorded under full accrual accounting, but is not recorded in the funds.	(197,916)
At the fund level, certain revenue is measurable but not yet available for use, and thus is reported as a deferred inflow of resources. On the full accrual basis of accounting these amounts are considered available.	
State aid	2,310,315
Tuition	24,781
Long-term compensated absences is recorded under full accrual accounting, but is not recorded in the funds.	<u>(278,825)</u>
Net Position of Governmental Activities	<u>\$ 55,524,060</u>

The accompanying notes are an integral part of these statements.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2022**

	General	Special Aid	Nonmajor Funds	Governmental Funds
<b>REVENUE:</b>				
Real property taxes	\$ 12,709,490	\$ -	\$ -	\$ 12,709,490
Other tax items	4,849,922	-	-	4,849,922
Charges for services	34,493	-	-	34,493
Use of money and property	33,783	-	7,268	41,051
Sale of property and compensation for loss	20	-	-	20
Miscellaneous	902,818	-	138,232	1,041,050
State sources	18,287,103	590,628	18,405	18,896,136
Medicaid reimbursement	149,984	-	-	149,984
Federal sources	393,703	1,723,814	988,435	3,105,952
Sales	-	-	48,572	48,572
Total revenue	<u>37,361,316</u>	<u>2,314,442</u>	<u>1,200,912</u>	<u>40,876,670</u>
<b>EXPENDITURES:</b>				
General support	3,924,295	12,000	97,573	4,033,868
Instruction	18,191,755	2,196,869	96,294	20,484,918
Pupil transportation	2,105,131	90,640	-	2,195,771
Employee benefits	6,202,710	109,000	136,093	6,447,803
Debt service -				
Principal	1,815,000	-	-	1,815,000
Interest	548,294	-	-	548,294
Cost of sales	-	-	793,404	793,404
Total expenditures	<u>32,787,185</u>	<u>2,408,509</u>	<u>1,123,364</u>	<u>36,319,058</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>4,574,131</u>	<u>(94,067)</u>	<u>77,548</u>	<u>4,557,612</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Proceeds from the issuance of leases	16,222	-	-	16,222
Transfers in	109,791	94,067	100,000	303,858
Transfers out	<u>(194,067)</u>	<u>-</u>	<u>(109,791)</u>	<u>(303,858)</u>
Total other financing sources (uses)	<u>(68,054)</u>	<u>94,067</u>	<u>(9,791)</u>	<u>16,222</u>
<b>CHANGE IN FUND BALANCE</b>	4,506,077	-	67,757	4,573,834
<b>FUND BALANCES - beginning of year</b>	<u>24,603,569</u>	<u>-</u>	<u>2,001,492</u>	<u>26,605,061</u>
<b>FUND BALANCES - end of year</b>	<u>\$ 29,109,646</u>	<u>\$ -</u>	<u>\$ 2,069,249</u>	<u>\$ 31,178,895</u>

The accompanying notes are an integral part of these statements.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities For the Year Ended June 30, 2022

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Changes in fund balance - total governmental funds	\$ 4,573,834
Capital outlays, net of disposal and loss on capital assets sold, are expenditures in governmental funds, but are capitalized in the statement of net position.	107,708
Depreciation is not recorded as a expenditure in the governmental funds, but is an expense in the statement of activities and change in net position.	(2,721,766)
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(21,513)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(109,002)
Proceeds from issuance of leases are recorded as other financing sources for governmental funds, but are not recorded in the State of Activities. This is the amount of proceeds from capital leases received in the current year.	(16,222)
Repayments of lease obligations are recorded as expenditures in the governmental funds, but are recorded as a reduction of the lease liability in the Statement of Net Position.	16,222
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	1,815,000
Premiums from the issuance of serial bonds are amortized as interest expense in the statement of net position.	110,711
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense.	2,201,621
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Change in accrued interest	16,301
Change in compensated absences	37,339
Certain revenues that are earned during the fiscal year are not received when considered available on the modified accrual basis of accounting. Therefore, in the funds, this amount will be recognized as revenue when it is received in the subsequent year.	<u>709,053</u>
Change in net position - governmental activities	<u>\$ 6,719,286</u>

The accompanying notes are an integral part of these statements.

# CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

## Notes to Basic Financial Statements June 30, 2022

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### 1. NATURE OF OPERATIONS

Cheektowaga-Sloan Union Free School District (the District) provides K-12 public education to students living within its geographic borders.

#### **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 (BOE) consisting of seven members. The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE is responsible for, and controls all activities related to public school education within the District. BOE members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by the GASB and consists of the primary government, and when applicable, 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, the following is a brief description of an entity included in the District's reporting entity:

The extraclassroom activity funds of the District represent funds of the students of the District. The BOE exercises general oversight of these funds; however, the funds are used as designated by student management. The District accounts for the activities of these various student organizations in the Miscellaneous Special Revenue Fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office.

#### **Joint Venture**

The District is a component school district in the Erie 1 Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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

During the year, the District was billed \$3,720,866 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,472,228.

Financial statements for the BOCES are available from the BOCES administrative office.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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:

### **Basis of Presentation**

The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

### **District-Wide 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. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue 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 revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

### **Fund Financial Statements**

The fund statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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The District reports the following major governmental funds:

**General Fund** - This 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 Revenue Funds** - These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The Special Revenue Fund classified as major is:

- Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

The District reports the following non-major governmental funds:

**Special Revenue Funds** - The Special Revenue Funds classified as non-major are:

- School Lunch Fund: Used to account for transactions of the lunch and breakfast programs.
- Miscellaneous Special Revenue Fund: Used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

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

#### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the District gives or receives value without directly receiving or giving equal value in exchange includes property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

#### **Cash**

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in 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 are obligations of the State and its municipalities and districts.

#### **Restricted Cash**

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets include amounts required by statute to be reserved for various purposes.

#### **Investments**

The District's investments are in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement.

#### **Accounts Receivable**

Accounts receivable 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.

#### **State and Federal Aid Receivable**

State and federal aid receivable recorded as an asset at June 30, 2022 relates to receivables due from New York State and/or the federal government. Management does not believe an allowance for doubtful accounts is necessary.

#### **Property Taxes**

Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31. Taxes not collected by November 30 are turned over to Erie County who assumes all responsibility for collection.

Uncollected real property taxes are subsequently enforced by the County. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### 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, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

#### 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 flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds 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 Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

#### Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. 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 statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 1,000	N/A	N/A
Buildings and outdoor improvements	\$ 1,000	SL	20 - 30 years
Machinery and equipment	\$ 1,000	SL	5 - 10 years
Vehicles	\$ 1,000	SL	8 years

Capital assets also include lease assets with a term greater than one year. The District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### **Vested Employee Benefits**

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.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts.

An accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the contractual rates in effect at year-end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

#### **Other Benefits**

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to 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 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.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

#### **Unearned Revenue**

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### **Short-Term Debt**

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability 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 (BANs), 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.

#### **Accrued Liabilities and Long-Term Obligations**

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

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

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position is 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 these notes.

#### **District-Wide Statements - Equity Classifications**

In the District-wide statements, there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and 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 are deemed to be available for general use by the District.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### **Governmental Fund Financial Statements - Equity Classifications**

In the fund basis statements there are five classifications of fund balance:

**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. Nonspendable fund balance includes the 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 established the following restricted fund balances:

#### Capital reserve

According to Education Law §3651, expenditures made from the capital reserve fund 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. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The reserve is accounted for in the General Fund under restricted fund balance.

#### Workers' Compensation

According to General Municipal Law §6-j, all expenditures made from the worker's compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by BOE 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. The reserve is accounted for in the General Fund.

#### Reserve for Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the General Fund.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### Insurance Reserve Fund

According to General Municipal Law §6-n, all expenditures from the insurance reserve fund must be used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the General Fund.

#### Tax Certiorari

According to Education Law §3651.1-a, funds must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the General Fund.

#### Employee Benefit Accrued Liability

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

#### Retirement Contribution

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by BOE resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the BOE. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the BOE may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### Unemployment Reserve

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund 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 BOE 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.

Restricted fund balance includes the following:

General Fund	
Employee benefit accrued liability	\$ 2,340,184
Tax certiorari	83,628
Capital reserve	10,212,152
Retirement contribution	6,704,763
Workers' compensation	300,106
Insurance	31,652
Debt service	542,011
Unemployment reserve	10,551
Other	15,951
Total	<u>20,240,998</u>
Capital Projects Fund	
Other	<u>2,427</u>
Miscellaneous Special Revenue Fund	
Scholarships	1,698,046
Extraclassroom activities	42,843
Total	<u>1,740,889</u>
Total restricted fund balance	<u>\$ 21,984,314</u>

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, the BOE. The District committed \$4,000,000 of fund balances for future capital project needs as of June 30, 2022.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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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. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$590,235. Appropriated fund balance in the general fund amounted to \$2,400,000. Any remaining fund balance in other funds is considered assigned. The school lunch fund also reports assigned fund balance of \$279,397. As of June 30, 2022, the District's general fund encumbrances were classified as follows:

General support	\$ 368,497
Instruction	<u>221,738</u>
Total	<u>\$ 590,235</u>

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation. At year-end, the District was not in compliance with the 4% limitation.

#### **Order of Fund Balance Spending Policy**

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

#### **Use of 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 amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### 3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

##### **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. This difference results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

##### **Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

- **Long-Term Revenue and Expense Differences**

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available," whereas the statement of activities reports revenue 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.

- **Capital Related Differences**

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

- **Long-Term Debt Transaction Differences**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

- **Pension Differences**

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

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### 4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

##### **Budgets**

The District administration prepares a proposed budget for approval by the BOE for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the BOE 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 restriction, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2022.

Budgets are established and used for individual capital project funds 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.

##### **Encumbrances**

Encumbrance accounting is used for budgetary 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 restrictions or assignments 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.

##### **Fund Balance**

The District's unrestricted fund balance in its General fund was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include reducing future tax levies, reserving for repairs and capital projects and other one time capital purchases.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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Portions of the fund balances are restricted and are not available for current expenditures or expenses, as reported in the governmental funds balance sheet.

#### 5. CASH

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

At June 30, 2022, the reported amount of the District's deposits was \$29,602,432 and the bank balance was \$30,158,055. Of the bank balance, \$1,000,000 was covered by federal depository insurance or by collateral held by the District's agent in the District's name, and \$47,718,404 was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents 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 as of year end includes \$5,700,184 within the governmental funds.

#### 6. INVESTMENTS

The District participates in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the District held \$5,375,170 in these investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

Total investments of the cooperative as of year-end are \$534,631,412, which consisted of \$265,100,000 in repurchase agreements, \$97,894,447 in U.S. Treasury/Agency Securities, \$171,432,734 in Bank Products and \$204,231 in collateralized bank deposits.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instructions could result in a different fair value measurement at the reporting date.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Notes to Basic Financial Statements  
June 30, 2022**

**7. CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Balance 6/30/2021 (as restated)	Additions	Disposals	Balance 6/30/2022
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 367,638	\$ -	\$ -	\$ 367,638
Construction in process	-	12,000	-	12,000
Total nondepreciable cost	<u>367,638</u>	<u>12,000</u>	<u>-</u>	<u>379,638</u>
Capital assets that are depreciated:				
Outdoor improvements	4,184,083	-	-	4,184,083
Building	65,818,673	15,184	-	65,833,857
Machinery and equipment	2,258,995	39,933	-	2,298,928
Licensed vehicles	482,634	24,369	(41,044)	465,959
Total depreciable historical cost	<u>72,744,385</u>	<u>79,486</u>	<u>(41,044)</u>	<u>72,782,827</u>
Less accumulated depreciation:				
Outdoor improvements	(1,571,109)	(173,347)	-	(1,744,456)
Building	(34,673,810)	(2,488,303)	-	(37,162,113)
Machinery and equipment	(1,794,556)	(27,712)	-	(1,822,268)
Licensed vehicles	(193,463)	(32,404)	19,531	(206,336)
Total accumulated depreciation	<u>(38,232,938)</u>	<u>(2,721,766)</u>	<u>19,531</u>	<u>(40,935,173)</u>
Total depreciable assets, net	<u>34,511,447</u>	<u>(2,642,280)</u>	<u>(21,513)</u>	<u>31,847,654</u>
Lease assets, being amortized:				
Equipment	382,165	16,222	-	398,387
Total lease assets, being amortized	<u>382,165</u>	<u>16,222</u>	<u>-</u>	<u>398,387</u>
Lease accumulated amortization for:				
Equipment	-	(109,002)	-	(109,002)
Total accumulated amortization	<u>-</u>	<u>(109,002)</u>	<u>-</u>	<u>(109,002)</u>
Total Lease Assets, being amortized, net	<u>382,165</u>	<u>(92,780)</u>	<u>-</u>	<u>289,385</u>
Total capital assets, net	<u>\$ 35,261,250</u>	<u>\$ (2,723,060)</u>	<u>\$ (21,513)</u>	<u>\$ 32,516,677</u>

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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Depreciation and amortization was charged to governmental activities as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 173,347	\$ -
Instruction	2,502,419	109,002
Transportation	32,404	-
School lunch	<u>13,596</u>	<u>-</u>
Total depreciation	<u>\$ 2,721,766</u>	<u>\$ 109,002</u>

#### 8. LEASES

The District leases various copiers and equipment, primarily from Erie 1 Board of Cooperative Education Services (BOCES). The leases do not contain renewal options. The leases have various inception dates and have no expiration as the District pays 100% of the fair market value at the time the leased assets are acquired.

#### 9. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General	\$ 1,106,520	\$ -	\$ 109,791	\$ 194,067
Special aid	-	1,008,129	94,067	-
School lunch	-	98,371	-	104,101
Capital projects	-	20	100,000	5,690
Total	<u>\$ 1,106,520</u>	<u>\$ 1,106,520</u>	<u>\$ 303,858</u>	<u>\$ 303,858</u>

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position. 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.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Notes to Basic Financial Statements  
June 30, 2022**

**10. LONG-TERM LIABILITIES**

Long-term liability balances and activity for the year are summarized as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022	Due Within One Year
Government activities:					
Serial bonds	\$ 16,084,912	\$ -	\$ 1,815,000	\$ 14,269,912	\$ 1,825,000
Unamortized premium	1,217,819	-	110,711	1,107,108	110,711
Total serial bonds	<u>\$ 17,302,731</u>	<u>\$ -</u>	<u>\$ 1,925,711</u>	<u>\$ 15,377,020</u>	<u>\$ 1,935,711</u>
Other liabilities:					
Compensated absences {a}	\$ 316,164	\$ -	\$ 37,339	\$ 278,825	\$ 55,765
Total Other liabilities	<u>\$ 316,164</u>	<u>\$ -</u>	<u>\$ 37,339</u>	<u>\$ 278,825</u>	<u>\$ 55,765</u>

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

Interest on all debt for the year was composed of:

Interest paid - Long-term debt	\$ 548,294
Less: Interest accrued in the prior year	(214,217)
Plus: Interest accrued in the current year	197,916
Less: Amortization of bond premium	(110,711)
Total expense	<u>\$ 421,282</u>

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Serial Bonds</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 6/30/2022</u>
Serial bond - 2014	2014	2026	2.0% - 3.0%	\$ 1,890,000
Serial bond - 2015	2015	2026	2.0% - 3.0%	1,800,000
Serial bond - 2017	2017	2031	3.0% - 4.0%	10,579,912
Total serial bonds				<u>\$ 14,269,912</u>

# CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

## Notes to Basic Financial Statements June 30, 2022

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The following is a summary of the maturity of long-term indebtedness as of June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,825,000	\$ 494,394	\$ 2,319,394
2024	1,840,000	438,381	2,278,381
2025	1,875,000	379,575	2,254,575
2026	1,895,000	318,700	2,213,700
2027	1,035,000	253,300	1,288,300
2028-2032	5,799,912	613,987	6,413,899
Totals	<u>\$ 14,269,912</u>	<u>\$ 2,498,337</u>	<u>\$ 16,768,249</u>

### 11. PENSION PLANS

#### *New York State Employees' Retirement System*

The District participates in the New York State and Local Employees' Retirement System (ERS). 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 net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), 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, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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.

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2022	\$ 471,833
2021	\$ 474,767
2020	\$ 465,089

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

#### Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a net pension asset of \$679,234 for its proportionate share of the NYSERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2021. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the District's proportionate share was 0.0083091%, which was a decrease of 0.000400% from its proportionate share at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$72,952. At June 30, 2022, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,439	\$ 66,720
Changes in assumptions	1,133,566	19,128
Net difference between projected and actual earnings on pension plan investments	-	2,224,208
Changes in proportion and differences between the District's contributions and proportionate share of contributions	199,274	106,722
Contributions subsequent to the measurement date	84,610	-
Total	<u>\$ 1,468,889</u>	<u>\$ 2,416,778</u>

The District recognized \$84,610 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

Plan's Year Ended March 31:

2023	\$ (134,318)
2024	(226,552)
2025	(562,132)
2026	(109,497)
Thereafter	-
	<u>\$ (1,032,499)</u>

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### Actuarial Assumptions

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension asset to March 31, 2022.

The actuarial valuation used the following actuarial assumptions:

Inflation	2.7%
Salary scale	4.4% indexed by service
Projected COLAs	1.4%
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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 expenses 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic equity	32.0	3.30
International equity	15.0	5.85
Private equity	10.0	6.50
Real estate	9.0	5.00
Opportunistic/Absolute Return Strategy	3.0	4.10
Credit	4.0	3.78
Real assets	3.0	5.80
Fixed Income	23.0	0.00
Cash	<u>1.0</u>	(1.00)
	<u>100%</u>	

#### Discount Rate

The discount rate used to calculate the total pension asset was 5.9%. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Notes to Basic Financial Statements  
June 30, 2022**

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

The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 4.9%	Current Discount 5.9%	1% Increase 6.9%
Proportionate Share of Net Pension liability (asset)	<u>\$ 1,748,342</u>	<u>\$ (679,234)</u>	<u>\$ (2,709,785)</u>

**Pension Plan Fiduciary Net Position (000's)**

The components of the current-year net pension asset of the employers as of March 31, 2022 were as follows:

Total pension liability	\$ 223,874,888
Net position	<u>232,049,473</u>
Net pension liability (asset)	<u>\$ (8,174,585)</u>
ERS net position as a percentage of total pension liability	103.65%

***New York State Teachers' Retirement System***

The District participates in the New York State Teachers' Retirement System (TRS). 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 and/or the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### Contributions

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3 percent of their salary, except that employees in NYSTRS more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5 percent are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5 percent of their salary are paid until April 1, 2013 and they then contribute 3 to 6 percent of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100 percent of the contributions required for each year. The required contributions for the current year and two preceding years were:

	TRS
2022	\$ 1,088,552
2021	\$ 1,021,055
2020	\$ 1,241,948

#### Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2022, the District reported net pension asset of \$11,661,838 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. The District's proportion of the net pension asset was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 the District's proportionate share was 0.067296%, which was a decrease of 0.000601% from proportionate share at June 30, 2021.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Notes to Basic Financial Statements  
June 30, 2022**

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For the year ended June 30, 2022, the District recognized pension expense (income) of \$(2,584,803). At June 30, 2022 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,607,461	\$ 60,588
Changes of assumptions	3,835,822	679,268
Net difference between projected and actual earnings on pension plan investments	-	12,205,321
Changes in proportion and differences between the District's contributions and proportionate share of contributions	219,197	1,526
Contributions subsequent to the measurement date	<u>1,238,193</u>	-
Total	<u>\$ 6,900,673</u>	<u>\$ 12,946,703</u>

The District recognized \$1,238,193 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:

2022	\$ (1,448,202)
2023	(1,711,104)
2024	(2,182,655)
2025	(2,909,571)
2026	574,547
Thereafter	<u>392,762</u>
	<u>\$ (7,284,223)</u>

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### Actuarial Assumptions

The total pension asset at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension asset to June 30, 2021. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th>Service</th><th>Rate</th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	Service	Rate	5	5.18%	15	3.64%	25	2.50%	35	1.95%
Service	Rate										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.3% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP2020.

The demographic actuarial assumptions and the salary scale were based on the results of an actuarial experience study for the period of July 1, 2015 to June 30, 2020.

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

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Notes to Basic Financial Statements  
June 30, 2022**

The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2021 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic equity	33.0	6.8
International equity	16.0	7.6
Global equity	4.0	7.1
Real estate equity	11.0	6.5
Private equity	8.0	10.0
Domestic fixed income	16.0	1.3
Global bonds	2.0	0.8
Private debt	1.0	5.9
Real estate debt	7.0	3.3
High-yield bonds	1.0	3.8
Cash equivalents	<u>1.0</u>	(0.2)
	<u>100%</u>	

**Discount Rate**

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

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

The following presents the net pension liability (asset) of the District using the discount rate of 6.95%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
Proportionate Share of Net Pension liability (asset)	<u>\$ (1,223,740)</u>	<u>\$(11,661,838)</u>	<u>\$(20,434,303)</u>

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Basic Financial Statements June 30, 2022

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#### Pension Plan Fiduciary Net Position (000's)

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2021, were as follows:

Total pension liability	\$	130,819,415
Net position		<u>148,148,457</u>
Net pension liability (asset)	\$	<u>(17,329,042)</u>
TRS net position as a percentage of total pension liability		113.25%

#### Payables to the Pension Plans

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	<u>June 30, 2022</u>
ERS Liability	<u>\$ 84,610</u>
TRS Liability	<u>\$ 1,238,193</u>

## 12. RISK MANAGEMENT

#### General Information

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 are not expected to exceed commercial insurance coverage.

#### Workers' Compensation

The District participates in the Erie #1 Self-Funded Workers' Compensation Consortium (the Plan), a non-risk-related public entity risk pool for its workers' compensation insurance coverage. The Plan is operated for the benefit of individual governmental units located within the Plan's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to \$300,000 per insured event. The Plan obtains independent coverage for insured events in excess of the \$300,000 limit and \$1,000,000 for employee liability resulting from third party litigation, and the District has essentially transferred all related risk to the Plan. However, the Plan members are subject to supplemental assessment in the event of deficiencies and would be responsible for the Plan's liabilities if the Plan's assets were exhausted.

# CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

## Notes to Basic Financial Statements June 30, 2022

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### 13. CONTINGENCIES AND COMMITMENTS

#### Litigation

There is no litigation pending against the District as of the balance sheet date.

#### Other Contingencies

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.

### 14. PRIOR PERIOD ADJUSTMENT

#### Change in Accounting Principle

During the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. The District prepays the balance of several of its lease obligations at the beginning of the lease term, and as such, the total net book value of the leased assets was greater than the amount of the lease liability as of the beginning of the year. As a result, the District's beginning net position of the governmental activities was restated, as shown below.

	Governmental Activities Net Position
Balance at June 30, 2021, as previously reported	\$ 48,422,609
Adjustments:	
Net book value leased asset	<u>382,165</u>
Balance at July 1, 2021, as restated	<u>\$ 48,804,774</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Actual
<b>REVENUE</b>					
Real property taxes	\$ 15,467,632	\$ 12,710,927	\$ 12,709,490	\$ -	\$ (1,437)
Other tax items	1,538,260	4,294,965	4,849,922	-	554,957
Charges for services	22,000	22,000	34,493	-	12,493
Use of money and property	53,000	53,000	33,783	-	(19,217)
Sale of property and compensation for loss	-	-	20	-	20
Miscellaneous	120,000	121,583	902,818	-	781,235
State sources	17,636,089	17,636,089	18,287,103	-	651,014
Federal sources	-	-	393,703	-	393,703
Medicaid reimbursement	22,750	22,750	149,984	-	127,234
Total revenue	<u>34,859,731</u>	<u>34,861,314</u>	<u>37,361,316</u>	<u>-</u>	<u>2,500,002</u>
<b>EXPENDITURES</b>					
<b>GENERAL SUPPORT:</b>					
Board of education	39,825	36,013	16,039	-	19,974
Central administration	267,078	297,722	292,932	-	4,790
Finance	521,068	490,495	391,311	-	99,184
Staff	202,830	226,028	158,209	-	67,819
Central services	3,188,525	3,502,917	2,768,695	368,497	365,725
Special items	363,136	356,286	280,887	-	75,399
Total general support	<u>4,582,462</u>	<u>4,909,461</u>	<u>3,908,073</u>	<u>368,497</u>	<u>632,891</u>
<b>INSTRUCTION:</b>					
Instruction, administration, and improvement	1,556,522	1,621,799	1,332,916	349	288,534
Teaching - regular school	9,669,450	10,117,145	9,317,917	-	799,228
Teaching - special school	96,800	95,047	1,080	-	93,967
Programs for children with handicapping	6,123,500	5,872,691	5,266,781	3,935	601,975
Occupational education	360,000	360,000	344,622	-	15,378
Instructional media	933,652	1,165,054	808,003	217,164	139,887
Pupil services	1,462,314	1,464,351	1,120,436	290	343,625
Total instruction	<u>20,202,238</u>	<u>20,696,087</u>	<u>18,191,755</u>	<u>221,738</u>	<u>2,282,594</u>
Pupil transportation	2,654,305	2,654,305	2,105,131	-	549,174
Community services	17,050	17,050	-	-	17,050
Employee benefits	7,200,382	6,464,482	6,202,710	-	261,772
Debt service	2,373,294	2,373,294	2,379,516	-	(6,222)
Total expenditures	<u>37,029,731</u>	<u>37,114,679</u>	<u>32,787,185</u>	<u>590,235</u>	<u>3,737,259</u>
Excess (deficiency) of revenue over expenditures	<u>(2,170,000)</u>	<u>(2,253,365)</u>	<u>4,574,131</u>	<u>(590,235)</u>	<u>6,237,261</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from the issuance of capital leases	-	-	16,222	-	16,222
Transfers in	-	-	109,791	-	109,791
Transfers out	(210,000)	(210,000)	(194,067)	-	15,933
Total other financing sources	<u>(210,000)</u>	<u>(210,000)</u>	<u>(68,054)</u>	<u>-</u>	<u>141,946</u>
CHANGE IN FUND BALANCE	<u>\$ (2,380,000)</u>	<u>\$ (2,463,365)</u>	<u>4,506,077</u>	<u>\$ (590,235)</u>	<u>\$ 6,379,207</u>
FUND BALANCE - beginning of year			<u>24,603,569</u>		
FUND BALANCE - end of year			<u>\$ 29,109,646</u>		

**CHEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)  
For the Year Ended June 30:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
Proportionate share of the net pension liability (asset)	\$ (679)	\$ 9	\$ 2,519	\$ 736	\$ 335	\$ 1,010	\$ 1,763	\$ 376		
Covered-employee payroll	\$ 2,896	\$ 3,212	\$ 3,156	\$ 3,173	\$ 3,099	\$ 2,956	\$ 3,066	\$ 2,990		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-23.45%	0.28%	79.82%	23.20%	10.81%	34.17%	57.50%	12.58%		
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%		

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHER'S RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.08%		
Proportionate share of the net pension liability (asset)	\$ (11,662)	\$ 1,876	\$ (1,820)	\$ (1,282)	\$ (548)	\$ 776	\$ (7,512)	\$ (8,446)		
Covered-employee payroll	\$ 11,422	\$ 11,524	\$ 11,676	\$ 11,865	\$ 11,709	\$ 11,565	\$ 11,349	\$ 10,982		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-102.10%	16.28%	-15.59%	-10.80%	-4.68%	6.71%	-66.19%	-76.91%		
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%		

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**CHEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Contributions - Pension Plans (Unaudited)**

**For the Year Ended June 30:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 472	\$ 475	\$ 465	\$ 470	\$ 452	\$ 436	\$ 505	\$ 551		
Contributions in relation to the contractually required contribution	<u>472</u>	<u>475</u>	<u>465</u>	<u>470</u>	<u>452</u>	<u>436</u>	<u>505</u>	<u>551</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered-employee payroll	\$ 2,896	\$ 3,212	\$ 3,156	\$ 3,173	\$ 3,099	\$ 2,956	\$ 3,066	\$ 2,990		
Contributions as a percentage of covered-employee payroll	16.30%	14.79%	14.73%	14.81%	14.59%	14.75%	16.47%	18.43%		

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,089	\$ 1,021	\$ 1,242	\$ 1,131	\$ 1,339	\$ 1,483	\$ 1,905	\$ 1,963		
Contributions in relation to the contractually required contribution	<u>1,089</u>	<u>1,021</u>	<u>1,242</u>	<u>1,131</u>	<u>1,339</u>	<u>1,483</u>	<u>1,905</u>	<u>1,963</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered-employee payroll	\$ 11,422	\$ 11,524	\$ 11,676	\$ 11,865	\$ 11,709	\$ 11,565	\$ 11,349	\$ 10,982		
Contributions as a percentage of covered-employee payroll	9.53%	8.86%	10.64%	9.53%	11.43%	12.82%	16.79%	17.87%		

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

## **SUPPLEMENTARY INFORMATION**

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022**

	School Lunch	Capital Projects	Miscellaneous Special Revenue	Total Nonmajor Governmental funds
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 194,783	\$ -	\$ 53,007	\$ 247,790
Cash and cash equivalents - restricted	-	2,447	1,687,882	1,690,329
State and federal aid receivable	179,265	-	-	179,265
Other receivables	11,069	-	-	11,069
Inventory	46,536	-	-	46,536
Total assets	<u>\$ 431,653</u>	<u>\$ 2,447</u>	<u>\$ 1,740,889</u>	<u>\$ 2,174,989</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accrued liabilities	\$ 2,037	\$ -	\$ -	\$ 2,037
Due to other funds	98,371	20	-	98,391
Due to other governments	168	-	-	168
Unearned revenue	5,144	-	-	5,144
Total liabilities	<u>105,720</u>	<u>20</u>	<u>-</u>	<u>105,740</u>
<b>FUND BALANCES:</b>				
Nonspendable -				
Inventory	<u>46,536</u>	<u>-</u>	<u>-</u>	<u>46,536</u>
Restricted for -				
Other	<u>-</u>	<u>2,427</u>	<u>1,740,889</u>	<u>1,743,316</u>
Total restricted	<u>-</u>	<u>2,427</u>	<u>1,740,889</u>	<u>1,743,316</u>
Assigned				
Other	<u>279,397</u>	<u>-</u>	<u>-</u>	<u>279,397</u>
Total assigned	<u>279,397</u>	<u>-</u>	<u>-</u>	<u>279,397</u>
Total fund balances	<u>325,933</u>	<u>2,427</u>	<u>1,740,889</u>	<u>2,069,249</u>
Total liabilities and fund balances	<u>\$ 431,653</u>	<u>\$ 2,447</u>	<u>\$ 1,740,889</u>	<u>\$ 2,174,989</u>

The accompanying notes are an integral part of these statements.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds  
For the Year Ended June 30, 2022**

	School Lunch	Capital Projects	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
<b>REVENUE:</b>				
Use of money and property	\$ -	\$ -	\$ 7,268	\$ 7,268
Miscellaneous	47,376	-	90,856	138,232
State sources	18,405	-	-	18,405
Federal sources	988,435	-	-	988,435
Sales	48,572	-	-	48,572
Total revenue	<u>1,102,788</u>	<u>-</u>	<u>98,124</u>	<u>1,200,912</u>
<b>EXPENDITURES:</b>				
General support	-	97,573	-	97,573
Instruction	-	-	96,294	96,294
Employee benefits	136,093	-	-	136,093
Cost of sales	793,404	-	-	793,404
Total expenditures	<u>929,497</u>	<u>97,573</u>	<u>96,294</u>	<u>1,123,364</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>173,291</u>	<u>(97,573)</u>	<u>1,830</u>	<u>77,548</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers in	-	100,000	-	100,000
Transfers out	(104,101)	(5,690)	-	(109,791)
Total other financing sources (uses)	<u>(104,101)</u>	<u>94,310</u>	<u>-</u>	<u>(9,791)</u>
<b>CHANGE IN FUND BALANCE</b>	69,190	(3,263)	1,830	67,757
<b>FUND BALANCES - beginning of year</b>	<u>256,743</u>	<u>5,690</u>	<u>1,739,059</u>	<u>2,001,492</u>
<b>FUND BALANCES - end of year</b>	<u>\$ 325,933</u>	<u>\$ 2,427</u>	<u>\$ 1,740,889</u>	<u>\$ 2,069,249</u>

The accompanying notes are an integral part of these statements.

**OTHER INFORMATION  
(UNAUDITED)**

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)  
For the Year Ended June 30, 2022**

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**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 37,239,731
Add: Prior year's encumbrances	<u>68,169</u>
Original budget	37,307,900
Budget revisions	<u>16,779</u>
Final budget	<u><u>\$ 37,324,679</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2022-2023 voter-approved expenditure budget	\$ 38,154,824
Maximum allowed (4% of 2022-2023 budget)	<u><u>\$ 1,526,193</u></u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :

Total fund balance:	<u>\$ 29,109,646</u>
Less:	
Restricted fund balance	\$ 20,240,998
Assigned fund balance:	
Appropriated fund balance	2,400,000
Encumbrances included in assigned fund balance	<u>590,235</u>
Total adjustments	<u>23,231,233</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,878,413</u></u>
Actual percentage	<u>15.41%</u>

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Project Expenditures - Capital Projects Fund (Unaudited)  
For the Year Ended June 30, 2022**

	Authorization		Expenditures and Transfers to Date				Available Balance
	Original Appropriation	Revised Appropriation	Prior Years' Expenditures	Current Years' Expenditures	Current Years' Transfers	Total Expenditures	
Door replacement - WW 2018 - 2019	\$ 100,000	\$ 100,000	\$ 98,289	\$ -	\$ 1,711	\$ 100,000	\$ -
Door replacement - WW 2019 - 2020	100,000	100,000	97,324	-	2,676	100,000	-
Entrance improvements - JFK 2020 - 2021	100,000	100,000	98,697	-	1,303	100,000	-
Tile replacement - WW 2021 - 2022	100,000	100,000	-	97,573	-	97,573	2,427
	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 294,310</u>	<u>\$ 97,573</u>	<u>\$ 5,690</u>	<u>\$ 397,573</u>	<u>\$ 2,427</u>

**CHEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Net Investment in Capital Assets (Unaudited)**

**June 30, 2022**

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Capital assets, net	\$ 32,227,292
Deduct:	
Serial bonds	(14,269,912)
Unamortized premium on bonds	<u>(1,107,108)</u>
Net investment in capital assets	<u>\$ 16,850,272</u>

**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**

October 12, 2022

To the Board of Education of the  
Cheektowaga-Sloan 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 aggregate remaining fund information of the Cheektowaga-Sloan Union Free School District (the District), as of and for the year ended June 30, 2022, 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 12, 2022.

**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 entity'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.

171 Sully 's Trail  
Pittsford, New York 14534  
p (585) 381-1000  
f (585) 381-3131

[www.bonadio.com](http://www.bonadio.com)

**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 instance 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

October 12, 2022

To the Board of Education of the  
Cheektowaga-Sloan Union Free School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Cheektowaga-Sloan Union Free School District's (the District's) 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 the District's major federal program for the year ended June 30, 2022. The District's major federal program is 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 types of 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, 2022.

***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; 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

### **Reports on Internal Control Over Compliance**

*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 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass Through Grantor's Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	\$ 51,210	\$ -
Passed through New York State Department of Education -				
School Breakfast Program	10.553	N/A	238,066	-
National School Lunch Program	10.555	N/A	673,740	-
Summer Food Service Program for Children (SFSP)	10.559	N/A	23,015	-
COVID-19 - Pandemic EBT Administrative Costs	10.649	N/A	2,404	-
Total Passed through New York State Department of Education			<u>937,225</u>	<u>-</u>
Total Child Nutrition Cluster			<u>988,435</u>	<u>-</u>
Total U. S. Department of Agriculture			<u>988,435</u>	<u>-</u>
U.S. Department of Education:				
Passed through New York State Department of Education -				
Title I Grants to Local Educational Agencies	84.010	0021-21-0765, 0021-22-0765, 0011-22-3026	521,695	-
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-21-0219, 0032-22-0219	348,130	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-22-0219	7,321	-
Total Special Education Cluster			<u>355,451</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367	0147-22-0765	92,292	-
Student Support and Academic Enrichment Program	84.424	0204-21-0765, 0204-22-0765	26,794	-
Education Stabilization Fund:				
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	5896-21-0765	370,275	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-0765, 5880-21-0765, 5882-21-0765,	680,074	-
COVID-19 - American Rescue Plan Elementary and Secondary School	84.425U	5883-21-0765, 5884-21-0765	70,936	-
Total Education Stabilization Fund			<u>1,121,285</u>	<u>-</u>
Total U.S. Department of Education (passed through NYS Department of Education)			<u>2,117,517</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 3,105,952</u>	<u>\$ -</u>
<u>Total Program Expenditures by Assistance Listing Number</u>				
National School Lunch Program	10.555		<u>\$ 724,950</u>	

The accompanying notes are an integral part of this schedule.

## CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

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#### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Cheektowaga-Sloan Union Free School District (the District), under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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). 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 the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the District's general ledger.

#### 3. PASS-THROUGH PROGRAMS

Where the District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing (AL) number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listing numbers, which may be assigned by pass-through grantors, are not maintained in the District's financial management system. The District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

#### 4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The District did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### 5. MATCHING COSTS

Matching costs, i.e., the District's share of certain program costs, are not included in the reported expenditures.

**6. NON-MONETARY FEDERAL PROGRAM**

The District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a “non-monetary” program. During the year ended June 30, 2022, the District received food commodities, the fair value of which amounted to \$51,210, is presented in the Schedule as National School Lunch Program (Division of Donated Foods, AL #10.555).

**CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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**A. SUMMARY OF AUDITOR RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes        X No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes        X None noted

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes        X No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes        X None noted

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? \_\_\_\_\_ Yes        X No

Identification of major programs:

<u>Assistance Listing</u>	<u>Name of Federal Program</u>
<u>Number</u>	<u></u>
84.425C	COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund
84.425D	COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 Education Stabilization Fund - American Rescue Plan Elementary and Secondary School

Dollar threshold used to distinguish between Type A and Type B \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ X Yes \_\_\_\_\_ No

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

None.

**D. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

None.