

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Cheektowaga-Sloan Union Free School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS 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

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 financial statements, and other knowledge we obtained during our audit of the 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 supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.


October 21, 2025

Management's Discussion and Analysis (unaudited)

June 30, 2025

Introduction

Management's Discussion and Analysis (MD&A) of Cheektowaga-Sloan Union Free School District (the District) provides an overview of the District's financial performance and activities for the year ended June 30, 2025. The information contained in the MD&A should be considered in conjunction with the information presented as part of the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements, (2) governmental fund financial statements, (3) reconciliations between the government-wide and governmental fund financial statements, (4) fiduciary fund financial statements, (5) notes to the financial statements, and (6) supplementary information.

In 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. This statement clarifies what is considered unused leave balances for employees. Under this statement, compensated absences are recognized as liabilities on the government-wide financial statements for leave that has not been used and leave that has been used but not yet paid or settled.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for student activity accounts. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs.

The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles, the New York State Education Department, and the Federal government.

Condensed Statement of Net Position	2025	2024	Change	
			\$	%
Current and other assets	\$ 50,251,000	\$ 47,155,000	\$ 3,096,000	6.6%
Capital assets	32,893,000	29,043,000	3,850,000	13.3%
Total assets	83,144,000	76,198,000	6,946,000	9.1%
Deferred outflows of resources	5,517,000	6,462,000	(945,000)	(14.6%)
Long-term liabilities	13,788,000	15,313,000	(1,525,000)	(10.0%)
Other liabilities	4,970,000	2,590,000	2,380,000	91.9%
Total liabilities	18,758,000	17,903,000	855,000	4.8%
Deferred inflows of resources	2,477,000	1,059,000	1,418,000	133.9%
Net position				
Net investment in capital assets	23,387,000	17,552,000	5,835,000	33.2%
Restricted	38,346,000	33,624,000	4,722,000	14.0%
Unrestricted	5,693,000	12,522,000	(6,829,000)	(54.5%)
Total net position	\$ 67,426,000	\$ 63,698,000	\$ 3,728,000	5.9%

Net position amounted to \$67,426,000 and \$63,698,000 as of June 30, 2025 and 2024, respectively. A portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used. These reserves are set aside for specific purposes governed by laws and regulations and include the capital reserve, which is dedicated to future renovations as approved by the District's voters; the retirement contribution reserve, which can be used to fund required District contributions to the New York State Teachers' Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS); and the employee benefit accrued liability reserve, which must be used to pay future accumulated vacation and sick time. Other restricted resources include the insurance, unemployment insurance, workers compensation, tax certiorari, and debt service reserves, amounts restricted for scholarships, and the District's proportionate share of the TRS net pension asset.

Total assets increased by \$6,946,000 (\$3,908,000 increase in 2024). Current and other assets increased by \$3,096,000 (increase of \$5,223,000 in 2024) and capital assets increased by \$3,850,000 (decrease of \$1,315,000 in 2024). The increase in current and other assets is due to an increase in cash and investments as a result of operations during the year. In addition, the District's proportionate share of the TRS net pension position amounted to \$1,927,000 and is included in current and other assets as a net pension asset compared to a net pension liability of \$756,000 in 2024. The change of \$2,683,000 in the TRS net pension position is largely a result of actual investment earnings exceeding projected amounts. Capital assets increased as a result of capital spending, which exceeded depreciation and amortization expense.

Total liabilities increased \$855,000 (\$1,825,000 decrease in 2024). Long-term liabilities decreased \$1,525,000 (\$1,544,000 decrease in 2024) primarily as a result of principal repayments of \$1,875,000 on outstanding bonds. Other liabilities increased by \$2,380,000 (\$281,000 decrease in 2024) due to an increase in accounts payable of \$2,229,000 as a result of timing of payments at year end.

Changes in deferred outflows and deferred inflows of resources include changes in pension and OPEB activity. Deferred outflows and deferred inflows of resources include contributions required to be paid by the District after the measurement date and also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions.

Condensed Statement of Activities	2025	2024	Change	
			\$	%
Revenues				
Program revenues				
Charges for services	\$ 75,000	\$ 57,000	\$ 18,000	31.6%
Operating grants and contributions	3,808,000	5,134,000	(1,326,000)	(25.8%)
General revenues				
Real property taxes	15,623,000	15,474,000	149,000	1.0%
Sales tax	2,108,000	2,036,000	72,000	3.5%
State aid	23,005,000	21,967,000	1,038,000	4.7%
Other	2,095,000	2,191,000	(96,000)	(4.4%)
Total revenues	46,714,000	46,859,000	(145,000)	(0.3%)
Expenses				
Instruction	32,578,000	32,599,000	(21,000)	(0.1%)
Support services				
General support	5,325,000	5,239,000	86,000	1.6%
Pupil transportation	2,917,000	2,807,000	110,000	3.9%
Food service	982,000	1,048,000	(66,000)	(6.3%)
Interest	251,000	310,000	(59,000)	(19.0%)
Total expenses	42,053,000	42,003,000	50,000	0.1%
Change in net position	4,661,000	4,856,000	(195,000)	(4.0%)
Net position – beginning	63,698,000	58,842,000	4,856,000	8.3%
Change in accounting principle	(933,000)	-	(933,000)	
Net position – ending	\$ 67,426,000	\$ 63,698,000	\$ 3,728,000	5.9%

District revenues decreased \$145,000 (\$2,433,000 or 5.5% increase in 2024). The District's operating grants and contributions decreased by \$1,326,000 (an increase of \$1,418,000 or 38.2% in 2024) due to a decrease in COVID-related grants that expired during the year. This was offset by State aid, which increased \$1,038,000 (increase of \$554,000 or 2.6% in 2024) as a result of additional general, excess cost, and BOCES aid provided by the State.

Total expenses increased \$50,000 (\$2,279,000 or 5.7% increase in 2024). Tuition costs increased \$1,313,000 due to additional students and rates and health insurance costs increased as a result of premiums. This was offset by a decrease in pension expense of \$1,330,000 as a result of actuarial differences between expected and actual experience.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased \$291,000 to \$41,308,000 as described below:

- Total fund revenues decreased \$205,000 or 0.4% (\$5,169,000 or 12.1% increase in 2024) primarily due to a decrease in federal sources offset by increases in State aid, as discussed above.
- Total fund expenditures increased by \$6,550,000 or 15.8% (\$2,704,000 or 7.0% increase in 2024) primarily due to an increase in capital outlay expenditures of \$5,153,000 as a result of the ongoing capital improvement project.
- The general fund experienced an increase in fund balance of \$2,631,000 during 2025 compared to a \$1,676,000 decrease in 2024 which was primarily due to a decrease in transfers by \$5,880,000 related to the voter-approved capital improvement project.

General Fund Budgetary Highlights

The revenue budget for 2025 was \$38,653,000. Actual revenues amounted to \$43,884,000, a favorable difference of \$5,231,000. State aid and interest earnings were greater than budget by \$3,007,000 and \$1,649,000, respectively.

Actual expenditures and carryover encumbrances were less than the final amended budget by \$2,882,000 or 6.9%. The difference is attributable to many factors and many unknown items when the budget is prepared. Because of the uncertainty of educational funding levels by the State, the District cautiously managed its budget to generate savings in teaching - regular school, employee benefits, and programs for children with handicapping conditions.

Capital Assets

	2025	2024
Land	\$ 368,000	\$ 368,000
Construction in progress	5,942,000	730,000
Land improvements	4,184,000	4,184,000
Buildings and improvements	65,834,000	65,834,000
Furniture and equipment	3,433,000	2,475,000
Vehicles	536,000	497,000
	<u>80,297,000</u>	74,088,000
Accumulated depreciation	<u>(48,264,000)</u>	(45,830,000)
	32,033,000	28,258,000
Right-to-use leased equipment, net	860,000	785,000
	<u>\$ 32,893,000</u>	<u>\$ 29,043,000</u>

Current year additions of \$6,588,000 were offset by depreciation and amortization expense and disposals of \$2,738,000.

Debt

At June 30, 2025, the District had \$8,730,000 in bonds outstanding, with \$1,895,000 due within one year (\$10,605,000 outstanding at June 30, 2024). Outstanding compensated absences payable were \$1,499,000, with \$300,000 expected to be paid or used within one year (\$1,301,000 outstanding at June 30, 2024, as restated). The implementation of GASB 101 resulted in an increase of \$933,000 in the beginning of year balance.

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Current Financial Issues and Concerns

School districts in New York State remain impacted by the political pressures imposed on elected officials in funding of education. Year to year changes in funding levels and State aid formulas complicate this process.

Contact for the District's Financial Management

This financial report is designed to provide our District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Wayne Drescher, Business Manager, Cheektowaga-Sloan Union Free School District, 166 Halstead Avenue, Sloan, New York 14212.

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

Assets

Cash	\$ 12,313,889
Investments	31,585,434
Accounts and state and federal aid receivable	3,409,165
Due from other governments	986,078
Inventory	29,897
Net pension asset	1,927,003
Capital assets (Note 5)	81,404,556
Accumulated depreciation and amortization	(48,512,195)
Total assets	83,143,827

Deferred Outflows of Resources

Deferred outflows of resources related to pensions	5,413,203
Deferred outflows of resources related to OPEB	103,451
Total deferred outflows of resources	5,516,654

Liabilities

Accounts payable	2,852,303
Accrued liabilities	557,717
Due to retirement systems	1,484,896
Unearned revenue	75,272
Long-term liabilities	
Due within one year:	
Bonds	1,895,000
Compensated absences	299,800
Due beyond one year:	
Bonds and related premiums	7,609,887
Compensated absences	1,199,200
Net pension liability	1,362,889
Total OPEB liability	1,420,695
Total liabilities	18,757,659

Deferred Inflows of Resources

Deferred inflows of resources related to pensions	2,411,244
Deferred inflows of resources related to OPEB	65,864
Total deferred inflows of resources	2,477,108

Net Position

Net investment in capital assets	23,387,474
Restricted	38,345,837
Unrestricted	5,692,403
Total net position	\$ 67,425,714

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Activities

For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 5,325,317	\$ 1,175	\$ -	\$ (5,324,142)
Instruction	32,577,673	47,831	2,830,840	(29,699,002)
Pupil transportation	2,917,329	-	-	(2,917,329)
Interest expense	250,864	-	-	(250,864)
School food service	981,740	26,187	976,917	21,364
	<u>\$ 42,052,923</u>	<u>\$ 75,193</u>	<u>\$ 3,807,757</u>	<u>(38,169,973)</u>
General revenues				
Real property taxes				15,622,652
Sales tax				2,107,994
Miscellaneous				2,094,860
State aid				23,004,943
				<u>42,830,449</u>
				Change in net position
				4,660,476
				Net position - beginning
				63,697,749
				Cumulative effect of a change in accounting principle (Note 2)
				(932,511)
				<u>62,765,238</u>
				Net position - ending
				<u>\$ 67,425,714</u>

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets						
Cash	\$ 11,782,063	\$ 21,896	\$ 181,666	\$ 194,555	\$ 133,709	\$ 12,313,889
Investments	23,629,209	-	6,371,342	-	1,584,883	31,585,434
Accounts and state and federal aid receivable	2,185,815	1,151,233	-	72,117	-	3,409,165
Due from other governments	986,078	-	-	-	-	986,078
Due from other funds, net	1,202,334	-	-	40,014	-	1,242,348
Inventory	-	-	-	29,897	-	29,897
Total assets	\$ 39,785,499	\$ 1,173,129	\$ 6,553,008	\$ 336,583	\$ 1,718,592	\$ 49,566,811
Liabilities						
Accounts payable	\$ 1,468,024	\$ 4,530	\$ 1,372,346	\$ 7,403	\$ -	\$ 2,852,303
Accrued liabilities	409,334	2,083	-	300	-	411,717
Due to retirement systems	1,484,896	-	-	-	-	1,484,896
Due to other funds, net	-	1,166,516	75,832	-	-	1,242,348
Unearned revenue	72,371	-	-	2,901	-	75,272
Total liabilities	3,434,625	1,173,129	1,448,178	10,604	-	6,066,536
Deferred Inflows of Resources						
State aid	2,192,569	-	-	-	-	2,192,569
Fund Balances						
Nonspendable	-	-	-	29,897	-	29,897
Restricted	29,595,412	-	5,104,830	-	1,718,592	36,418,834
Assigned	2,852,257	-	-	296,082	-	3,148,339
Unassigned	1,710,636	-	-	-	-	1,710,636
Total fund balances	34,158,305	-	5,104,830	325,979	1,718,592	41,307,706
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,785,499	\$ 1,173,129	\$ 6,553,008	\$ 336,583	\$ 1,718,592	\$ 49,566,811

See accompanying notes.

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2025

Total fund balances - governmental funds		\$ 41,307,706
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in the governmental funds.		32,892,361
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:		
Net pension asset	1,927,003	
Deferred outflows of resources related to pensions	5,413,203	
Net pension liability	(1,362,889)	
Deferred inflows of resources related to pensions	<u>(2,411,244)</u>	3,566,073
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Deferred outflows of resources related to OPEB	103,451	
Total OPEB liability	(1,420,695)	
Deferred inflows of resources related to OPEB	<u>(65,864)</u>	(1,383,108)
State aid is not yet considered available for use in the governmental funds but is recognized when earned in the government-wide financial statements.		2,192,569
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(146,000)	
Bonds and related premiums	(9,504,887)	
Compensated absences	<u>(1,499,000)</u>	(11,149,887)
Net position - governmental activities		\$ 67,425,714

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds**

For the year ended June 30, 2025

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues						
Real property taxes	\$ 13,635,982	\$ -	\$ -	\$ -	\$ -	\$ 13,635,982
Real property tax items	1,986,670	-	-	-	-	1,986,670
Nonproperty taxes	2,107,994	-	-	-	-	2,107,994
Charges for services	47,831	-	-	-	-	47,831
Use of money and property	1,751,852	-	-	-	70,634	1,822,486
Miscellaneous	277,965	-	-	3,874	-	281,839
State sources	23,942,172	783,602	-	121,243	-	24,847,017
Federal sources	133,232	1,914,006	-	855,674	-	2,902,912
Sales	-	-	-	22,313	-	22,313
Total revenues	43,883,698	2,697,608	-	1,003,104	70,634	47,655,044
Expenditures						
General support	4,356,229	465,320	-	386,044	21,000	5,228,593
Instruction	22,602,018	2,112,627	-	-	-	24,714,645
Pupil transportation	2,754,719	162,610	-	-	-	2,917,329
Employee benefits	6,491,326	107,106	-	142,054	-	6,740,486
Debt service						
Principal	1,875,000	-	-	-	-	1,875,000
Interest	379,575	-	-	-	-	379,575
Cost of sales	-	-	-	438,669	-	438,669
Capital outlay	-	-	5,636,359	15,480	-	5,651,839
Total expenditures	38,458,867	2,847,663	5,636,359	982,247	21,000	47,946,136
Excess revenues (expenditures)	5,424,831	(150,055)	(5,636,359)	20,857	49,634	(291,092)
Other financing sources (uses)						
Operating transfers, net	(2,793,520)	150,055	2,643,463	2	-	-
Net change in fund balances	2,631,311	-	(2,992,896)	20,859	49,634	(291,092)
Fund balances - beginning	31,526,994	-	8,097,726	305,120	1,668,958	41,598,798
Fund balances - ending	\$ 34,158,305	\$ -	\$ 5,104,830	\$ 325,979	\$ 1,718,592	\$ 41,307,706

See accompanying notes.

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the year ended June 30, 2025

Total net change in fund balances - governmental funds \$ (291,092)

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

Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals. 3,849,560

State aid is recorded to the extent it is considered available in the governmental funds, but on the statement of activities, revenue is recognized when earned. (937,229)

Pension expense is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:

2025 TRS and ERS contributions	1,700,986	
2025 ERS accrued contribution	131,065	
2024 ERS accrued contribution	(114,857)	
2025 TRS pension expense	(1,118,493)	
2025 ERS pension expense	<u>(346,028)</u>	252,673

OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. (19,147)

Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position. 1,875,000

In the statement of activities, certain expenses are measured by the amounts earned during the year.

In the governmental funds these expenditures are reported when paid. These differences are:

Interest	18,000	
Amortization of bond premiums	110,711	
Compensated absences	<u>(198,000)</u>	(69,289)

Change in net position - governmental activities \$ 4,660,476

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
	Original	Final			
Revenues					
Local sources					
Real property taxes	\$ 15,617,860	\$ 13,635,982	\$ 13,635,982		\$ -
Real property tax items	2,000	1,983,878	1,986,670		2,792
Nonproperty taxes	1,800,000	1,800,000	2,107,994		307,994
Charges for services	20,000	20,000	47,831		27,831
Use of money and property	103,000	103,000	1,751,852		1,648,852
Miscellaneous	150,000	151,527	277,965		126,438
State sources	20,935,669	20,935,669	23,942,172		3,006,503
Federal sources	22,750	22,750	133,232		110,482
Total revenues	38,651,279	38,652,806	43,883,698		5,230,892
Expenditures					
General support					
Board of education	40,625	40,625	20,360	30	(20,235)
Central administration	296,680	326,013	318,585	-	(7,428)
Finance	556,627	556,627	439,466	-	(117,161)
Staff	229,846	229,846	164,806	-	(65,040)
Central services	3,717,891	3,517,892	3,099,911	193,289	(224,692)
Special items	376,516	385,386	313,101	-	(72,285)
Instruction					
Instruction, administration, and improvement	1,877,471	1,893,593	1,603,359	522	(289,712)
Teaching - regular school	10,979,673	11,092,297	10,581,221	-	(511,076)
Programs for children with handicapping conditions	7,241,716	7,942,871	7,596,114	126	(346,631)
Occupational education	370,000	220,000	217,322	-	(2,678)
Teaching - special schools	95,800	95,801	17,359	-	(78,442)
Instructional media	1,165,272	1,365,518	1,005,452	157,590	(202,476)
Pupil services	1,655,925	1,844,434	1,581,191	700	(262,543)
Pupil transportation	3,271,069	3,064,080	2,754,719	-	(309,361)
Community service	17,050	7,354	-	-	(7,354)
Employee benefits	7,561,215	6,846,206	6,491,326	-	(354,880)
Debt service					
Principal	1,875,000	1,875,000	1,875,000	-	-
Interest	389,575	389,575	379,575	-	(10,000)
Total expenditures	41,717,951	41,693,118	38,458,867	352,257	(2,881,994)
Excess revenues (expenditures)	(3,066,672)	(3,040,312)	5,424,831	(352,257)	8,112,886
Other financing sources (uses)					
Operating transfers out	(210,000)	(2,793,518)	(2,793,520)		2
Appropriated fund balance, reserves, and carryover encumbrances	3,276,672	5,833,830	-		(5,833,830)
Total other financing sources (uses)	3,066,672	3,040,312	(2,793,520)		(5,833,832)
Excess revenues (expenditures) and other financing sources (uses)	\$ -	\$ -	\$ 2,631,311	\$ (352,257)	\$ 2,279,054

See accompanying notes.

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2025

Assets

Cash \$ 41,586

Liabilities

Sales tax payable 598

Net Position

Extraclassroom activity balances \$ 40,988

* * *

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2025

Additions

Student activity additions \$ 128,852

Deductions

Student activity deductions 137,880

Change in net position (9,028)

Net position - beginning 50,016

Net position - ending \$ 40,988

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Cheektowaga-Sloan Union Free School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America (GAAP), nor does it contain any component units.

The financial statements of the District have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Joint Venture

The District is one of 19 participating school districts in the Erie 1 Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may also issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2025, the District was billed \$4,413,000 for BOCES administrative and program costs and recognized revenue of \$118,000 as a refund from prior year expenditures paid to BOCES. Audited financial statements are available from BOCES' administrative offices.

Risk Management

The District participates in the NY44 Health Benefits Plan Trust and the Erie #1 Self-Funded Workers' Compensation Consortium, which are public entity risk pools. These plans are designed to provide health insurance and workers' compensation coverage for participating entities. These activities are further presented in Note 9.

Basis of Presentation

Government-Wide Financial Statements: The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) capital grants and contributions limited to the purchase or construction of specific capital assets, if any. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

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

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources – other than expendable trusts or major capital projects – such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District also elected to display the following as major funds:

- *Food service fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.
- *Miscellaneous special revenue fund.* This fund is used to account for resources that are restricted to student scholarships. Third parties make donations and District personnel manage the funds and assist with determination of scholarship recipients.

The District has elected not to use a debt service fund as debt activity is currently reflected in the general fund.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for its student activity accounts.

Basis of Accounting and Measurement Focus

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include real property and sales taxes, grants, and donations. Revenue from real property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds 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 they are collected within ninety days after year end. 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. Capital asset additions are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Real Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2025, the tax lien was issued on August 27, 2024 for collection from September 1, 2024 through November 30, 2024. Thereafter, uncollected amounts became the responsibility of Erie County and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2024 was approved by a majority of the voters in a general election held on May 21, 2024.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgetary appropriations.

Cash and Investments

Cash and investment management is governed by State laws and as established in the District's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District's policies permit the Treasurer to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At June 30, 2025, the District's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' trust departments or agents in the District's name.

Inventory

Inventory consists of food and similar goods related to food service operations and is recorded at the lower of first-in, first-out cost or net realizable value. Donated commodities are stated at values which approximate market.

Capital Assets

Capital assets are generally reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are provided in the government-wide financial statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which assets are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	\$ 1,000	20 - 30
Buildings and improvements	\$ 1,000	20 - 50
Furniture and equipment	\$ 1,000	5 - 20
Vehicles	\$ 1,000	8

Deferred Inflows of Resources – State Aid

Deferred inflows of resources include state aid received in advance of required debt payments for a prior capital project. The District recognizes general fund revenue proportional to related debt payments.

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental fund financial statements when issued. In the government-wide financial statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid and unused accumulated vacation and sick time that is more likely than not to be used, paid, or settled by noncash means prior to or at termination of employment. Such accumulated time is valued based on a combination of the applicable employees' rates of pay at year end and contractual rates of payout at retirement, based on estimates of amounts to be used for each. The liability also includes an estimate of leave that is not attributable to a specific employee but rather is available for use by all employees within certain bargaining units and is valued at the estimated pay rates of all eligible employees. Year to year changes in the liability are presented as a net increase or decrease (Note 6).

Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide financial statements, the District recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position (Note 7) on the same basis as reported by the respective defined benefit pension plans.

Other Postemployment Benefits (OPEB)

On the government-wide financial statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the District's defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with benefit terms.

Equity Classifications

Government-Wide Financial Statements

The District is required to classify net position into three categories:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any related debt obligations that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or required by the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

Governmental Fund Financial Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Fund balance is categorized as follows:

Nonspendable:	
Inventory	\$ 29,897
Restricted:	
Capital	23,561,997
Retirement contribution	7,717,245
Employee benefit accrued liability	2,632,145
Debt service	298,483
Workers' compensation	337,547
Insurance	35,601
Unemployment insurance	11,867
Tax certiorari	94,061
Scholarships	1,718,592
Other	11,296
Assigned:	
Designated for subsequent year	2,500,000
Encumbrances	352,257
Food service	296,082
Unassigned	1,710,636
	<u>\$ 41,307,706</u>

Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Fund balance restrictions include scholarships donated to the District by third parties for the benefit of students and the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2023 and 2025, voters approved capital reserves of \$20,000,000 which have been funded \$17,786,624, plus interest, as of June 30, 2025. Amounts remaining and available for use in the general fund at June 30, 2025 total \$18,457,167.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2025, the retirement contribution reserve includes \$1,245,888 for TRS and \$6,471,357 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is 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.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Workers' compensation* – is 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 program.
- *Insurance* – is used to pay liability, casualty, and other types of losses except losses incurred for which insurance may be purchased. This amount is funded through budgetary appropriations and may not exceed 5% of the budget.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Tax certiorari* – is used to pay judgments and claims resulting from certiorari proceedings. Funds not used by July 1 of the fourth fiscal year following their deposit must be returned to unassigned fund balance.

Committed fund balances are authorized by the Board of Education as recommended by the District’s management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end.

Assigned fund balances may include the planned use of existing fund balance to offset the subsequent year’s tax levy. Additionally, the Board of Education has given the District’s management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

Interfund Balances

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are normally repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide financial statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District’s practice to settle these amounts at the net balances due between funds.

2. Change in Accounting Principle

Effective July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. This statement clarifies what is considered unused leave balances for employees. Under this statement, the liability for compensated absences should be recognized on the government-wide financial statements for leave that has not been used and leave that has been used but not yet paid or settled. Beginning net position has been restated as follows on the government-wide financial statements:

Net position July 1, 2024	\$ 63,697,749
Increase in compensated absences liability	<u>(932,511)</u>
<u>Net position as restated, July 1, 2024</u>	<u>\$ 62,765,238</u>

3. Cash and Investments

At June 30, 2025, the District’s investments include U.S. Treasury Securities with original maturities greater than 90 days and investments held in an external investment pool comprised of U.S. Treasury Securities, repurchase agreements, and deposits held by custodian banks. Investments are recognized at fair value using quoted prices for similar assets and liabilities in active markets. The external investment pool issues its own financial statements which are included in its annual report available at www.newyorkclass.org.

Credit risk is the risk of loss attributed to the magnitude of the District’s investment in a single issuer. The District’s external investment pool is rated AAAM by S&P Global Ratings.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the District’s external investment pool limits the maturity date of its investments. The dollar weighted average days to maturity (WAM) at June 30, 2025 is 46 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life of the pool is 77 days.

4. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ 1,202,334	\$ -	\$ -	\$ 2,793,520
Special aid	-	1,166,516	150,055	-
Capital projects	-	75,832	2,643,463	-
Food service	40,014	-	2	-
	<u>\$ 1,242,348</u>	<u>\$ 1,242,348</u>	<u>\$ 2,793,520</u>	<u>\$ 2,793,520</u>

The general fund provides cash flow to the various other funds; these amounts are repaid when funds are received from the State after final expenditure reports have been submitted and approved. The general fund made permanent transfers to the special aid fund to cover its share of costs related to the summer school handicap program and to the capital projects fund for capital outlay and a capital improvement project approved by voters.

5. Capital Assets

	July 1, 2024	Increases	Retirements/ Reclassifications	June 30, 2024
Non-depreciable and non-amortizable capital assets:				
Land	\$ 367,638	\$ -	\$ -	\$ 367,638
Construction in progress	729,833	6,005,242	(792,879)	5,942,196
Total non-depreciable and non-amortizable assets	<u>1,097,471</u>	<u>6,005,242</u>	<u>(792,879)</u>	<u>6,309,834</u>
Depreciable capital assets:				
Land improvements	4,184,083	-	-	4,184,083
Buildings and improvements	65,833,857	-	-	65,833,857
Furniture and equipment	2,475,081	242,176	716,323	3,433,580
Vehicles	497,598	49,691	(11,404)	535,885
Total depreciable assets	<u>72,990,619</u>	<u>291,867</u>	<u>704,919</u>	<u>73,987,405</u>
Accumulated depreciation:				
Land improvements	(2,090,824)	(173,184)	-	(2,264,008)
Buildings and improvements	(41,631,864)	(2,214,838)	-	(43,846,702)
Furniture and equipment	(1,869,513)	(96,300)	76,079	(1,889,734)
Vehicles	(238,284)	(33,709)	7,983	(264,010)
Total accumulated depreciation	<u>(45,830,485)</u>	<u>(2,518,031)</u>	<u>84,062</u>	<u>(48,264,454)</u>
Total depreciable assets, net	<u>27,160,134</u>	<u>(2,226,164)</u>	<u>788,981</u>	<u>25,722,951</u>
Right-to-use lease assets:				
Equipment	1,078,693	290,641	(262,017)	1,107,317
Less accumulated amortization	(293,497)	(215,743)	261,499	(247,741)
Total right-to-use assets, net	<u>785,196</u>	<u>74,898</u>	<u>(518)</u>	<u>859,576</u>
	<u>\$ 29,042,801</u>	<u>\$ 3,853,976</u>	<u>\$ (4,416)</u>	<u>\$ 32,892,361</u>

Depreciation and amortization expense has been allocated to the following functions: general support \$206,893, instruction \$2,511,908, and food service \$14,973.

As of June 30, 2025, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation and amortization	\$ 32,892,361
Bonds and related premiums	(9,504,887)
	<u>\$ 23,387,474</u>

6. Long-Term Liabilities

	July 1, 2024 (As Restated)	Increases	Decreases	June 30, 2025	Amount Due in One Year
Bonds	\$ 10,604,912	\$ -	\$ 1,875,000	\$ 8,729,912	\$ 1,895,000
Bond premiums	885,686	-	110,711	774,975	-
Compensated absences	1,301,000	198,000	-	1,499,000	299,800
	<u>\$ 12,791,598</u>	<u>\$ 198,000</u>	<u>\$ 1,985,711</u>	<u>\$ 11,003,887</u>	<u>\$ 2,194,800</u>

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds - 2014	June 2026	2.00-3.00%	\$ 460,000
Serial bonds - 2015	June 2026	2.00-3.00%	440,000
Serial bonds - 2017	July 2031	3.00-4.00%	7,829,912
			<u>\$ 8,729,912</u>

Debt Service Requirements

Years ending June 30,	Principal	Interest
2026	\$ 1,895,000	\$ 318,700
2027	1,035,000	253,300
2028	1,075,000	211,100
2029	1,120,000	167,200
2030	1,165,000	121,500
2031-2032	2,439,912	99,100
	<u>\$ 8,729,912</u>	<u>\$ 1,170,900</u>

7. Pension Plans

Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation.

Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 10.11% for 2025. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2025, these rates ranged from 11.4% - 17.9%.

The amount outstanding and payable to TRS for the year ended June 30, 2025 was \$1,240,951. A liability to ERS of \$131,065 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2025.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported an asset of \$1,927,003 for its proportionate share of the TRS net pension position and a liability of \$1,362,889 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures applied to roll forward the total pension liability to June 30, 2024. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2024, the District's proportion was 0.064586%, a decrease of 0.001502 from its proportion measured as of June 30, 2023.

The ERS total pension liability at the March 31, 2025 measurement date was determined by an actuarial valuation as of April 1, 2024, with update procedures applied to roll forward the total pension liability to March 31, 2025. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2025, the District's proportion was 0.0079489%, a decrease of 0.0004083 from its proportion measured as of March 31, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$1,464,521 on the government-wide financial statements (TRS expense of \$1,118,493 and ERS expense of \$346,028). At June 30, 2025, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,075,028	\$ -	\$ 338,278	\$ (15,957)
Changes of assumptions	1,152,738	(193,901)	57,157	-
Net difference between projected and actual earnings on pension plan investments	-	(2,141,064)	106,928	-
Changes in proportion and differences between contributions and proportionate share of contributions	158,571	(2,513)	152,487	(57,809)
District contributions subsequent to the measurement date	1,240,951	-	131,065	-
	<u>\$ 4,627,288</u>	<u>\$ (2,337,478)</u>	<u>\$ 785,915</u>	<u>\$ (73,766)</u>

District contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	TRS	ERS
2026	\$ (941,964)	\$ 276,619
2027	2,401,486	380,902
2028	(363,453)	(96,705)
2029	(415,968)	20,268
2030	265,395	-
Thereafter	103,363	-
	<u>\$ 1,048,859</u>	<u>\$ 581,084</u>

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2023 valuation, with update procedures used to roll forward the total pension liability to June 30, 2024, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.4%

Salary increases – Based on TRS member experience, dependent on service, ranging from 1.95%-5.18%

Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually

Investment rate of return – 6.95% compounded annually, net of investment expense, including inflation

Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis

Discount rate – 6.95%

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. 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.

For ERS, the actuarial assumptions used in the April 1, 2024 valuation, with update procedures used to roll forward the total pension liability to March 31, 2025, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.9%

Salary increases – 4.3%

COLA – 1.5% annually

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Society of Actuaries' Scale MP-2021

Discount rate – 5.9%

The long-term expected rate of return on ERS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.6%	25%	3.5%
Global and international equities	19%	6.9%-7.4%	14%	6.6%
Private equities	9%	10.0%	15%	7.3%
Real estate equities	11%	6.3%	12%	5.0%
Domestic fixed income securities	16%	2.6%	22%	2.0%
Global and high-yield bonds	3%	2.5%-4.8%	-	-
Cash and cash equivalents	1%	0.5%	1%	0.3%
Other	8%	3.9%-5.9%	11%	5.3%-5.6%
	<u>100%</u>		<u>100%</u>	

Discount Rate

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

The following presents the District’s proportionate share of its net pension position calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District’s proportionate share of the TRS net pension asset (liability)	\$ (8,900,937)	\$ 1,927,003	\$ 11,033,591
District’s proportionate share of the ERS net pension asset (liability)	\$ (3,944,373)	\$ (1,362,889)	\$ 792,651

8. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance for certain District retirees and spouses. The Plan is open to all eligible employees and provides continued insurance through payment of monthly premiums by retirees through participation in the District’s policies. The District thereby provides an implicit rate subsidy on behalf of all eligible employees of which all are assumed to continue coverage at retirement. Plan options include single, two-person, family, and post-age 65 Medicare Advantage. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. The Plan has no assets, does not issue financial statements, and is not a trust.

At April 2, 2025, employees covered by the Plan include:

Active employees	223
Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	-
	237

Total OPEB Liability

The District’s total OPEB liability of \$1,420,695 was measured as of March 31, 2025 and was determined by an actuarial valuation as of June 30, 2025.

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

Healthcare cost trend rates – based on National Health Expenditure Projections 2016-2032 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2025 version 1b for long-term rates, initially 5.30%, with an ultimate rate of 3.71% after 2075

Salary increases – 3.30%

Mortality – Pub-2010 public retirement plans mortality tables, without separate contingent survivor mortality; fully generational using Mortality Improvement Scale MP-2021 for retirees and surviving spouses

Discount rate – 4.39% based on the Fidelity Municipal General Obligation AA 20-Year Bond rate as of the measurement date

Inflation rate – 2.30%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	<u>\$ (1,467,612)</u>
Changes for the year:	
Service cost	(38,993)
Interest	(56,673)
Changes of benefit terms	-
Differences between expected and actual experience	22,527
Changes of assumptions or other inputs	37,394
Benefit payments	<u>82,662</u>
Net changes	46,917
Balance at June 30, 2025	<u>\$ (1,420,695)</u>

The following presents the sensitivity of the District’s total OPEB liability to changes in the discount rate, including what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (3.39%)	Discount Rate (4.39%)	1.0% Increase (5.39%)
Total OPEB liability	<u>\$ (1,527,106)</u>	<u>\$ (1,420,695)</u>	<u>\$ (1,322,743)</u>

The following presents the sensitivity of the District’s total OPEB liability to changes in the healthcare cost trend rates, including what the District’s total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (4.30% to 2.71%)	Healthcare Cost Trend Rate (5.30% to 3.71%)	1.0% Increase (6.30% to 4.71%)
Total OPEB liability	<u>\$ (1,299,402)</u>	<u>\$ (1,420,695)</u>	<u>\$ (1,558,958)</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$101,809. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,451	\$ (20,252)
Changes of assumptions or other inputs	-	(45,612)
	<u>\$ 103,451</u>	<u>\$ (65,864)</u>

The net amount of deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2026	\$ 6,143
2027	6,143
2028	6,143
2029	6,143
2030	6,143
Thereafter	<u>6,872</u>
	<u>\$ 37,587</u>

9. Risk Management

General Liability

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 18 participating members as of June 30, 2024 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2024, which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York 14224.

Workers' Compensation

The District participates in the Erie #1 Self-Funded Workers' Compensation Consortium (the Plan) sponsored by Erie 1 BOCES. The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes eight participating members as of June 30, 2024 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. No such supplemental assessments have been required in the previous three years.

The Plan has published its own financial report for the year ended June 30, 2024 (the most recent information available), which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York 14224.

10. Commitments and Contingencies

Grants

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

Litigation

The District is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of the District.

Construction Commitments

The District has entered into contracts with various construction companies for its capital project. District voters approved spending up to \$8,500,000 and \$5,877,000 has been spent to date.

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System**

As of the measurement date of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.064586%	0.066088%	0.067371%	0.067296%	0.067897%	0.070062%	0.070896%	0.072079%	0.072460%	0.072326%
District's proportionate share of the net pension asset (liability)	\$ 1,927,003	\$ (755,776)	\$ (1,292,777)	\$ 11,661,838	\$ (1,876,186)	\$ 1,820,206	\$ 1,281,993	\$ 547,868	\$ (776,078)	\$ 7,512,341
District's covered payroll	\$ 12,331,814	\$ 12,205,928	\$ 11,934,959	\$ 10,714,113	\$ 14,017,472	\$ 10,656,544	\$ 13,659,867	\$ 12,650,546	\$ 14,362,843	\$ 10,381,900
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	15.63%	(6.19%)	(10.83%)	108.85%	(13.38%)	17.08%	9.39%	4.33%	(5.40%)	72.36%
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%

The following is a summary of changes of assumptions:

Inflation	2.4%	2.4%	2.4%	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%
Salary increases	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%
Investment rate of return	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Required Supplementary Information (Unaudited)
Schedule of District Contributions
New York State Teachers' Retirement System

For the years ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,240,951	\$ 1,203,585	\$ 1,255,990	\$ 1,169,626	\$ 1,021,055	\$ 1,241,948	\$ 1,131,725	\$ 1,338,667	\$ 1,482,644	\$ 1,904,513
Contribution in relation to the contractually required contribution	(1,240,951)	(1,203,585)	(1,255,990)	(1,169,626)	(1,021,055)	(1,241,948)	(1,131,725)	(1,338,667)	(1,482,644)	(1,904,513)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 12,274,491	\$ 12,331,814	\$ 12,205,928	\$ 11,934,959	\$ 10,714,113	\$ 14,017,472	\$ 10,656,544	\$ 13,659,867	\$ 12,650,546	\$ 14,362,843
Contributions as a percentage of covered payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension position	0.0079489%	0.0083572%	0.0085477%	0.0083091%	0.0087093%	0.0095140%	0.0103925%	0.0103839%	0.0107509%	0.0109857%
District's proportionate share of the net pension asset (liability)	\$ (1,362,889)	\$ (1,230,512)	\$ (1,832,966)	\$ 679,234	\$ (8,672)	\$ (2,519,354)	\$ (736,342)	\$ (335,134)	\$ (1,010,174)	\$ (1,763,243)
District's covered payroll	\$ 2,965,156	\$ 2,958,164	\$ 2,914,027	\$ 2,896,000	\$ 3,212,000	\$ 3,156,000	\$ 3,173,000	\$ 3,099,000	\$ 2,956,000	\$ 3,066,000
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(45.96%)	(41.60%)	(62.90%)	23.45%	(0.27%)	(79.83%)	(23.21%)	(10.81%)	(34.17%)	(57.51%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

The following is a summary of changes of assumptions:

Inflation	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Required Supplementary Information (Unaudited)
Schedule of District Contributions
New York State and Local Employees' Retirement System

For the years ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 460,035	\$ 391,319	\$ 338,439	\$ 472,000	\$ 475,000	\$ 465,000	\$ 470,000	\$ 452,000	\$ 436,000	\$ 505,000
Contribution in relation to the contractually required contribution	(460,035)	(391,319)	(338,439)	(472,000)	(475,000)	(465,000)	(470,000)	(452,000)	(436,000)	(505,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,965,156	\$ 2,958,164	\$ 2,914,027	\$ 2,896,000	\$ 3,212,000	\$ 3,156,000	\$ 3,173,000	\$ 3,099,000	\$ 2,956,000	\$ 3,066,000
Contributions as a percentage of covered payroll	15.51%	13.23%	11.61%	16.30%	14.79%	14.73%	14.81%	14.59%	14.75%	18.37%

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios**

For the years ended June 30,	2025	2024
Total OPEB liability - beginning	\$ (1,467,612)	\$ (1,340,533)
Changes for the year:		
Service cost	(38,993)	(36,810)
Interest	(56,673)	(49,236)
Changes of benefit terms	-	-
Differences between expected and actual experience	22,527	(131,039)
Changes of assumptions or other inputs	37,394	15,193
Benefit payments	82,662	74,813
Net change in total OPEB liability	46,917	(127,079)
Total OPEB liability - ending	\$ (1,420,695)	\$ (1,467,612)
Covered-employee payroll	\$ 15,463,546	\$ 14,952,181
Total OPEB liability as a percentage of covered-employee payroll	9.2%	9.8%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Differences between expected and actual experience are a result of changes in healthcare trend rates.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	5.30%-3.71%	5.10%-3.86%
Salary increases	3.30%	3.42%
Discount rate	4.39%	3.98%
Inflation rate	2.30%	2.42%
Society of Actuaries' mortality scale	MP-2021	MP-2021

Data prior to 2024 is unavailable.

Supplementary Information
Schedule of Change from Original to Final Budget and
Calculation of Unrestricted Fund Balance Limit - General Fund

For the year ended June 30, 2025

Original expenditure budget	\$ 41,151,279
Encumbrances carried over from prior year	776,672
Budget amendments:	
Donations	1,527
Use of reserves	<u>2,557,158</u>
Revised expenditure budget	<u>\$ 44,486,636</u>

* * *

Unrestricted Fund Balance

Assigned	\$ 2,852,257
Unassigned	<u>1,710,636</u>
	4,562,893
Encumbrances included in assigned fund balance	(352,257)
Appropriated fund balance used for tax levy	<u>(2,500,000)</u>
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	<u>\$ 1,710,636</u>
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2026 expenditure budget (unaudited)	\$ 42,901,087
4% of budget	<u>1,716,043</u>
Actual percentage of 2026 expenditure budget	<u>4.0%</u>

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2025

Project Title	Original Budget	Expenditures			Unexpended Balance
		Prior Years	Current Year	Total	
Locker Rooms - WW 2024-2025 Beautification Project	\$ 100,000	\$ -	\$ 96,437	\$ 96,437	\$ 3,563
Building Improvement Project *	8,500,000	398,274	5,478,422	5,876,696	2,623,304
	-	4,000	61,500	65,500	(65,500)
	<u>\$ 8,600,000</u>	<u>\$ 402,274</u>	<u>\$ 5,636,359</u>	<u>\$ 6,038,633</u>	<u>\$ 2,561,367</u>

* Project has not yet been approved by New York State Education Department's Office of Facilities Planning or voters.

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures
<u>U.S. Department of Education:</u>			
Passed Through New York State Education Department:			
Special Education Cluster:			
Special Education Grants to States	84.027	0032-25-0219	\$ 385,855
Special Education Preschool Grants	84.173	0033-25-0219	5,458
Total Special Education Cluster			391,313
Title I Grants to Local Educational Agencies	84.010	0021-25-0765	502,621
Title I Grants to Local Educational Agencies	84.010	0021-24-0765	914
Title I Grants to Local Educational Agencies	84.010	0011-25-2034	196,534
Title I Grants to Local Educational Agencies	84.010	0011-24-2034	484
Supporting Effective Instruction State Grants	84.367	0147-25-0765	40,011
Supporting Effective Instruction State Grants	84.367	0147-24-0765	14,507
Student Support and Academic Enrichment Program	84.424	0204-25-0765	37,830
Student Support and Academic Enrichment Program	84.424	0204-24-0765	2,156
Education Stabilization Fund:			
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0765	709,711
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-0765	17,925
Total Education Stabilization Fund			727,636
Total U.S. Department of Education			1,914,006
<u>U.S. Department of Agriculture:</u>			
Passed Through New York State Education Department:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	544,352
National School Lunch Program	10.555	N/A	237,099
Summer Food Service Program for Children	10.559	N/A	10,758
Passed Through New York State Office of General Services:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	63,465
Total U.S. Department of Agriculture and Child Nutrition Cluster			855,674
Total Expenditures of Federal Awards			\$ 2,769,680

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs administered by Cheektowaga-Sloan Union Free School District (the District), an entity as defined in Note 1 to the District’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

Basis of Accounting

The District uses the modified accrual basis of accounting for each federal program, consistent with the fund basis financial statements.

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

Indirect Costs

The District does not use the de minimis indirect cost rate permitted by the Uniform Guidance.

Non-Monetary Federal Program

The District is the recipient of a federal award program that does not result in cash receipts or disbursements, termed a “non-monetary program.” During the year ended June 30, 2025, the District used \$63,465 worth of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

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

The Board of Education
Cheektowaga-Sloan Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAP) 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 remaining fund information of Cheektowaga-Sloan Union Free School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 21, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

October 21, 2025

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

The Board of Education
Cheektowaga-Sloan Union Free School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Cheektowaga-Sloan Union Free School District (the District) with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' 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.

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 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.

Symons & McCormick, LLP

October 21, 2025

Schedule of Findings and Questioned Costs

For the year ended June 30, 2025

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 544,352
National School Lunch Program	10.555	300,564
Summer Food Service Program for Children	10.559	10,758
		<u>\$ 855,674</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.