AKRON CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2025

AKRON CENTRAL SCHOOL DISTRICT

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Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

INDEPENDENT AUDITORS' REPORT

The Board of Education
Akron Central 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 Akron Central 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 September 17, 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.

Lemmen & McCormick, LLP

September 17, 2025

Management's Discussion and Analysis (unaudited)

June 30, 2025

Introduction

Management's Discussion and Analysis (MD&A) of Akron Central School District (the District) provides an overview of the District's financial activities and performance 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 includes 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 District 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 $	Change %
Current and other assets	$ 26,644,000	$ 27,040,000	$ (396,000)	(1.5%)
Capital assets	56,214,000	53,120,000	3,094,000	5.8%
Total assets	82,858,000	80,160,000	2,698,000	3.4%
Deferred outflows of resources	5,919,000	6,848,000	(929,000)	(13.6%)
Long-term liabilities	17,648,000	18,136,000	(488,000)	(2.7%)
Other liabilities	5,180,000	4,155,000	1,025,000	24.7%
Total liabilities	22,828,000	22,291,000	537,000	2.4%
Deferred inflows of resources	4,736,000	4,071,000	665,000	16.3%
Net position				
Net investment in capital assets	45,007,000	39,145,000	5,862,000	15.0%
Restricted	15,359,000	18,383,000	(3,024,000)	(16.4%)
Unrestricted	847,000	3,118,000	(2,271,000)	(72.8%)
Total net position	$ 61,213,000	$ 60,646,000	$ 567,000	0.9%

Net position amounted to $61,213,000 and $60,646,000 as of June 30, 2025 and 2024, respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, furniture and equipment, and right-to-use lease assets, less outstanding debt used to acquire 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, which includes scholarship funds for students, the District's proportionate share of the New York State Teachers' Retirement System (TRS) net pension asset, and reserves set aside for specific purposes governed by statutory law and regulations. Such reserves include the retirement contribution reserve, restricted to fund contributions paid by the District for both State-wide retirement systems; the debt service reserve, which is set aside for the repayment of bonds issued to finance capital projects; and an employee benefit accrued liability reserve which must be used to pay employees' accumulated vacation and sick time upon retirement or other separation. Other restricted resources include the capital and workers' compensation reserves, which are similarly restricted for spending.

Total assets increased by $2,698,000 ($193,000 increase in 2024). Current and other assets decreased by $396,000 and net capital assets increased by $3,094,000 (increase of $667,000 and decrease of $474,000, respectively, in 2024). The decrease in current and other assets is primarily due to the decrease in cash and investments of $2,372,000, offset by the District's proportionate share of the TRS net pension position resulting in an asset of $1,890,000 in 2025 compared to a liability of $737,000 in 2024. The capital assets increase is the result of additions exceeding depreciation and amortization expense.

Long-term liabilities decreased by $488,000 ($3,839,000 decrease in 2024) due to the required principal repayments on bonds of $2,630,000 and a decrease in the District's proportionate share of the TRS pension plan of $737,000 as stated above, offset by an increase in compensated absences of $2,826,000 due to the implementation of GASB 101. Other liabilities increased $1,025,000 ($664,000 increase in 2024) due to an increase of $853,000 in accounts payable due to timing of payments related to the District's capital project and an increase of $110,000 in bond anticipation notes.

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 in assumptions.

Condensed Statement of Activities	2025	2024	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 2,323,000**	$ 2,258,000	$ 65,000	2.9%
Operating and capital grants and contributions	**3,960,000**	4,671,000	(711,000)	(15.2%)
General revenues				
Real property taxes	**10,550,000**	10,358,000	192,000	1.9%
Sales tax	**1,477,000**	1,530,000	(53,000)	(3.5%)
Other	**1,076,000**	1,361,000	(285,000)	(20.9%)
State aid	**20,744,000**	18,329,000	2,415,000	13.2%
Total revenue	**40,130,000**	38,507,000	1,623,000	4.2%
Expenses				
Instruction	**27,862,000**	27,604,000	258,000	0.9%
Support services				
General support	**5,221,000**	5,039,000	182,000	3.6%
Pupil transportation	**2,664,000**	2,841,000	(177,000)	(6.2%)
Food service	**1,081,000**	1,036,000	45,000	4.3%
Interest	**258,000**	360,000	(102,000)	(28.3%)
Total expenses	**37,086,000**	36,880,000	206,000	0.6%
Change in net position	**3,044,000**	1,627,000	1,417,000	87.1%
Net position – beginning	**60,646,000**	59,019,000	1,627,000	2.8%
Cumulative effect of a change in accounting principle	**(2,477,000)**	-	(2,477,000)	
Net position – ending	**$ 61,213,000**	$ 60,646,000	$ 567,000	0.9%

District revenues increased by $1,623,000 in 2025 (increase of $1,294,000 or 3.5% in 2024). State aid increased $2,415,000 (increase of $847,000 or 4.8% in 2024) primarily due to an increase in Native American building aid and excess cost aid. Operating and capital grants and contributions decreased $711,000 (decrease of $342,000 or 6.8% in 2024) primarily due to the America Rescue Plan Act (ARPA) grant funds almost fully expended in the prior year with the remaining $201,000 used in 2024-2025 and a decrease of $236,000 in Impact Aid.

Total expenses increased by $206,000 compared to an increase of $1,493,000 or 4.2% in 2024. Payroll expenses increased $532,000 or 3.1% due to salary increases as required by collective bargaining agreements. Health insurance increased $223,000 due to an increase in plan premiums and 403(b) retirement benefits increased $286,000 ($29,000 increase in 2024).

Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased from $22,957,000 to $19,548,000 as described below:

- On an overall basis, expenditures of $43,895,000 exceeded revenues and other financing sources of $40,486,000 resulting in a decrease of $3,409,000 in fund balances.
- The general fund experienced a decrease in fund balance of $5,476,000 ($1,502,000 increase in 2024) for the following reasons:
  - Operating transfers of $11,046,000 ($3,561,000 in 2024) were made to fund capital project expenditures and debt service payments.
  - Revenues increased $2,066,000 ($2,159,000 increase in 2024) primarily due to an increase in state aid as discussed above.
  - Expenditures increased $1,559,000 ($1,615,000 increase in 2024) primarily due to increases in employee benefits of $692,000 and payroll expenditures of $906,000. Payroll increases were due to rate increases required by collective bargaining agreements and the transition of certain payroll costs from the special aid fund in 2024 to the general fund in 2025 because of available grant funds.

- Spending across all governmental funds increased by $5,011,000 or 12.9% ($2,240,000 or 6.1% increase in 2024) primarily due to an increase in capital expenditures of $4,480,000 from 2024, and the increases in general fund expenditures as discussed above.

General Fund Budgetary Highlights

The final general fund revenue budget was $35,868,000 with actual revenues amounting to $37,000,000, a favorable difference of $1,132,000 or 3.2%. This was primarily caused by more state aid, federal aid, and interest earnings than originally expected. Actual expenditures and carryover encumbrances were less than the final amended budget by $1,445,000 or 4.4%. This difference is attributable to many factors and many unknown items when the budget is prepared. The District's actual expenditures were primarily under budget in instruction and transportation.

Capital Assets

	2025	2024
Land and land improvements	**$ 5,292,000**	$ 5,122,000
Buildings and improvements	**75,047,000**	73,094,000
Furniture, equipment, and vehicles	**9,208,000**	8,883,000
Construction in progress	**2,999,000**	-
	92,546,000	87,099,000
Accumulated depreciation	**(36,887,000)**	(34,711,000)
	55,659,000	52,388,000
Right-to-use lease equipment, net	**555,000**	732,000
	$ 56,214,000	$ 53,120,000

The increase in capital assets in the current year is a result of current year additions of $5,934,000 offset by depreciation expense, amortization expense, and disposals of $2,840,000.

Debt

At June 30, 2025, the District had $9,315,000 in bonds outstanding, with $910,000 due within one year ($11,945,000 outstanding at June 30, 2024). Outstanding compensated absences payable were $4,137,000 with $503,000 expected to be paid within one year ($3,788,000 outstanding at June 30, 2024, as restated).

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.

Contacting the District's Financial Management

This financial report is designed to provide District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances, and to show the District's accountability for the money it receives. For more detailed information, questions may be directed to Paul Kowalski, School Business Executive (716-542-5015).

Statement of Net Position

June 30, 2025

Assets	
Cash	$ 8,855,670
Investments	12,094,012
Due from other governments	847,906
State and federal aid and other receivables	2,885,551
Inventory	70,841
Net pension asset	1,889,876
Capital assets (Note 5)	93,528,468
Accumulated depreciation and amortization	(37,314,744)
Total assets	82,857,580
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	5,606,220
Deferred outflows of resources related to OPEB	313,232
Total deferred outflows of resources	5,919,452
Liabilities	
Accounts payable	2,168,593
Accrued liabilities	72,000
Due to retirement systems	1,530,640
Due to fiduciary fund	10,629
Bond anticipation notes payable	1,398,203
Long-term liabilities	
Due within one year	
Bonds	910,000
Compensated absences	503,000
Due beyond one year	
Bonds and related premiums	8,898,747
Compensated absences	3,634,000
Net pension liability	1,670,297
Total OPEB liability	2,032,257
Total liabilities	22,828,366
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	2,456,651
Deferred inflows of resources related to OPEB	2,278,960
Total deferred inflows of resources	4,735,611
Net Position	
Net investment in capital assets	45,006,774
Restricted	15,358,855
Unrestricted	847,426
Total net position	$ 61,213,055

See accompanying notes.

Statement of Activities

For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Government activities				
General support	$ 5,221,146	$ -	$ -	**$ (5,221,146)**
Instruction	27,862,197	2,223,302	2,995,175	**(22,643,720)**
Pupil transportation	2,664,199	-	-	**(2,664,199)**
Interest expense	258,045	-	-	**(258,045)**
School food service	1,080,417	99,782	964,567	**(16,068)**
	$ 37,086,004	$ 2,323,084	$ 3,959,742	**(30,803,178)**
General revenues				
Real property taxes				**10,549,746**
Sales taxes				**1,476,963**
Other				**1,076,114**
State aid				**20,744,360**
Total general revenues				**33,847,183**
Change in net position				**3,044,005**
Net position - beginning				**60,646,199**
Cumulative effect of a change in accounting principle (Note 2)				**(2,477,149)**
Net position - beginning as restated				**58,169,050**
Net position - ending				**$ 61,213,055**

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2025

	General	Capital Projects	Special Aid	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets							
Cash	$ 5,793,511	$ 2,007,604	$ 65,764	$ 453,694	$ 301,260	$ 233,837	**$ 8,855,670**
Investments	12,094,012	-	-	-	-	-	**12,094,012**
Due from other governments	847,906	-	-	-	-	-	**847,906**
State and federal aid and other receivables	1,384,713	97,842	1,333,803	-	69,193	-	**2,885,551**
Due from other funds, net	1,354,157	32	-	3,333	-	-	**1,357,522**
Inventory	-	-	-	-	70,841	-	**70,841**
Total assets	$ 21,474,299	$ 2,105,478	$ 1,399,567	$ 457,027	$ 441,294	$ 233,837	**$ 26,111,502**
Liabilities							
Accounts payable	$ 819,039	$ 1,265,978	$ 42,045	$ -	$ 38,766	$ 2,765	**$ 2,168,593**
Due to retirement systems	1,530,640	-	-	-	-	-	**1,530,640**
Due to other funds, net	-	-	1,357,522	-	-	10,629	**1,368,151**
Bond anticipation notes payable	-	1,398,203	-	-	-	-	**1,398,203**
Total liabilities	2,349,679	2,664,181	1,399,567	-	38,766	13,394	**6,465,587**
Deferred Inflows of Resources							
Unavailable revenue	-	97,842	-	-	-	-	**97,842**
Fund Balances							
Nonspendable	-	-	-	-	70,841	-	**70,841**
Restricted	12,791,509	-	-	457,027	-	220,443	**13,468,979**
Assigned	2,971,297	-	-	-	331,687	-	**3,302,984**
Unassigned (deficit)	3,361,814	(656,545)	-	-	-	-	**2,705,269**
Total fund balances (deficit)	19,124,620	(656,545)	-	457,027	402,528	220,443	**19,548,073**
Total liabilities and fund balances	$ 21,474,299	$ 2,105,478	$ 1,399,567	$ 457,027	$ 441,294	$ 233,837	**$ 26,111,502**

See accompanying notes.

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

June 30, 2025

Total fund balances - governmental funds		$ 19,548,073
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 governmental funds.		56,213,724
The District's proportionate share of net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Net pension asset	1,889,876	
Deferred outflows of resources related to pensions	5,606,220	
Net pension liability	(1,670,297)	
Deferred inflows of resources related to pensions	(2,456,651)	3,369,148
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	313,232	
Total OPEB liability	(2,032,257)	
Deferred inflows of resources related to OPEB	(2,278,960)	(3,997,985)
Certain revenues collected more than 90 days after year end are not considered available until received in the governmental funds but are recognized when earned in the government-wide financial statements.		97,842
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(72,000)	
Bonds and related premiums	(9,808,747)	
Compensated absences	(4,137,000)	(14,017,747)
Net position - governmental activities		$ 61,213,055

See accompanying notes.

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

For the year ended June 30, 2025

	General	Capital Projects	Special Aid	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues							
Real property taxes	$ 9,639,245	$ -	$ -	$ -	$ -	$ -	**$ 9,639,245**
Real property tax items	910,501	-	-	-	-	-	**910,501**
Nonproperty tax items	1,476,963	-	-	-	-	-	**1,476,963**
Charges for services	2,223,302	-	-	-	-	-	**2,223,302**
Use of money and property	628,647	-	-	19,242	6,636	5,275	**659,800**
Sale of property and compensation for loss	98,919	-	-	-	-	-	**98,919**
Miscellaneous	288,831	-	-	-	10,134	54,643	**353,608**
State sources	20,646,518	-	984,440	-	402,688	-	**22,033,646**
Federal sources	1,087,471	-	923,264	-	561,879	-	**2,572,614**
Sales	-	-	-	-	89,648	-	**89,648**
Total revenues	37,000,397	-	1,907,704	19,242	1,070,985	59,918	**40,058,246**
Expenditures							
General support	4,099,067	-	-	-	378,083	56,450	**4,533,600**
Instruction	18,382,385	-	1,506,736	-	-	-	**19,889,121**
Pupil transportation	1,400,461	-	469,273	-	-	-	**1,869,734**
Employee benefits	7,548,172	-	-	-	194,039	-	**7,742,211**
Debt service							
Principal	-	-	-	3,048,648	-	-	**3,048,648**
Interest	-	-	-	506,864	-	-	**506,864**
Cost of sales	-	-	-	-	449,851	-	**449,851**
Capital outlay	-	5,854,709	-	-	-	-	**5,854,709**
Total expenditures	31,430,085	5,854,709	1,976,009	3,555,512	1,021,973	56,450	**43,894,738**
Excess revenues (expenditures)	5,570,312	(5,854,709)	(68,305)	(3,536,270)	49,012	3,468	**(3,836,492)**
Other financing sources (uses)							
Operating transfers, net	(11,046,466)	7,422,649	68,305	3,555,512	-	-	**-**
BANs redeemed from appropriations	-	418,648	-	-	-	-	**418,648**
BAN premiums	-	-	-	8,860	-	-	**8,860**
Total other financing sources (uses)	(11,046,466)	7,841,297	68,305	3,564,372	-	-	**427,508**
Net change in fund balances	(5,476,154)	1,986,588	-	28,102	49,012	3,468	**(3,408,984)**
Fund balances (deficit) - beginning	24,600,774	(2,643,133)	-	428,925	353,516	216,975	**22,957,057**
Fund balances (deficit) - ending	$ 19,124,620	$ (656,545)	$ -	$ 457,027	$ 402,528	$ 220,443	**$ 19,548,073**

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		$ (3,408,984)
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 those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals.		3,093,368
Pension 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. These differences are:		
2025 TRS and ERS contributions	1,884,576	
2025 ERS accrued contribution	165,601	
2024 ERS accrued contribution	(198,271)	
2025 TRS net pension expense	(1,013,394)	
2025 ERS net pension expense	(490,161)	348,351
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.		383,609
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.		2,630,000
Revenue is recorded to the extent received within 90 days of year end for governmental funds, but on the statement of activities, revenue is recognized when earned.		97,842
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:		
Amortization of bond premiums	248,819	
Compensated absences	(349,000)	(100,181)
Change in net position - governmental activities		$ 3,044,005

See accompanying notes.

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	$ 9,218,329	$ 9,218,329	**$ 9,639,245**		$ 420,916
Real property tax items	1,332,391	1,332,391	**910,501**		(421,890)
Nonproperty tax items	1,500,000	1,500,000	**1,476,963**		(23,037)
Charges for services	2,075,000	2,075,000	**2,223,302**		148,302
Use of money and property	300,000	300,000	**628,647**		328,647
Sale of property and compensation for loss	38,377	38,377	**98,919**		60,542
Miscellaneous	368,500	368,500	**288,831**		(79,669)
State sources	20,210,593	20,210,593	**20,646,518**		435,925
Federal sources	825,000	825,000	**1,087,471**		262,471
Total revenues	35,868,190	35,868,190	**37,000,397**		1,132,207
Expenditures					
General support					
Board of education	50,638	44,798	**34,602**	449	(9,747)
Central administration	287,080	308,419	**308,419**	-	-
Finance	566,245	654,870	**644,221**	5,159	(5,490)
Staff	225,600	224,100	**196,706**	13,379	(14,015)
Central services	3,136,361	2,864,368	**2,644,298**	1,414	(218,656)
Special items	293,000	296,300	**270,821**	-	(25,479)
Instruction					
Instruction, administration, and improvement	1,560,443	1,744,620	**1,680,014**	-	(64,606)
Teaching - regular school	8,785,636	8,596,992	**8,573,763**	598	(22,631)
Programs for children with handicapping conditions	4,826,165	4,590,556	**4,306,743**	6,792	(277,021)
Occupational education	825,000	825,000	**782,862**	-	(42,138)
Teaching - special schools	46,250	10,050	**9,810**	82	(158)
Instructional media	1,426,809	1,290,089	**1,282,835**	-	(7,254)
Pupil services	1,943,853	1,966,785	**1,746,358**	945	(219,482)
Pupil transportation	1,856,068	1,779,096	**1,400,461**	-	(378,635)
Employee benefits	7,628,437	7,710,064	**7,548,172**	2,479	(159,413)
Total expenditures	33,457,585	32,906,107	**31,430,085**	31,297	(1,444,725)
Excess revenues (expenditures)	2,410,605	2,962,083	**5,570,312**	(31,297)	2,576,932
Other financing sources (uses)					
Operating transfers out	(10,502,462)	(11,053,940)	**(11,046,466)**		(7,474)
Appropriated fund balance, reserves, and carryover encumbrances	8,091,857	8,091,857	**-**		(8,091,857)
Total other financing sources (uses)	(2,410,605)	(2,962,083)	**(11,046,466)**		(8,084,383)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	**$ (5,476,154)**	$ (31,297)	$ (5,507,451)

See accompanying notes.

AKRON CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2025

Assets	
Cash	$ 90,696
Due from governmental funds	10,629
Total assets	101,325
Liabilities	
Accounts payable	6,881
Net Position	
Extraclassroom activity balances	$ 94,444

* * *

AKRON CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2025

Additions	
Student activity additions	$ 124,478
Deductions	
Student activity deductions	101,998
Change in net position	22,480
Net position - beginning	71,964
Net position - ending	$ 94,444

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Akron Central 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 $3,547,000 for BOCES administrative and program costs and recognized $188,000 in revenue as a refund from prior year expenditures. Audited financial statements are available from BOCES' administrative offices.

Risk Management

The District participates in the New York State Public Schools Statewide Workers' Compensation Self-Insurance Trust and the NY44 Health Benefits Plan Trust, which are public entity risk pools. These plans are designed to provide workers' compensation and health insurance coverage for participating entities. These activities are further discussed in Note 10.

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.
- *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.
- *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.

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

- *Debt service fund.* This fund is used to account for resources that are restricted to expenditure for principal and interest.
- *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. Donations are made by third parties and District personnel manage the funds and assist with determination of scholarship recipients.

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 6, 2024 for collection from September 15 through November 15, 2024 for Niagara and Genesee Counties and November 30, 2024 for Erie County. Thereafter, uncollected amounts became the responsibility of the respective counties 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 the 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 budgeted 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 banking 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.

Investments include certificates of deposit and obligations of the United States Treasury with original maturities greater than 90 days.

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' 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 reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value when 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	$ 5,000	30
Buildings and improvements	$ 10,000	50
Vehicles	$ 1,000	8
Furniture and equipment	$ 1,000	5-20

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 sick and vacation time that is more likely than not to be used, paid, or settled by noncash means 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 7).

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 8) 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 for the District's defined benefit healthcare plan (Note 9) 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 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	$	70,841
Restricted:		
Capital		4,324,938
Debt service		457,027
Employee benefit accrued liability		1,382,589
Retirement contribution		6,053,686
Workers' compensation		1,030,296
Scholarships		220,443
Assigned:		
Designated for subsequent year		2,940,000
Encumbrances		31,297
Food service		331,687
Unassigned		2,705,269
	$	19,548,073

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. In 2017 and 2023, voters approved capital reserves totaling $17,500,000, which have been funded $11,500,000. Amounts remaining and available for use in the general fund at June 30, 2025 total $4,324,938.
- *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.
- *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.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. Funding specific for TRS is limited to 2% annually of eligible salaries up to a maximum reserve of 10% of eligible salaries. At June 30, 2025, the retirement contribution reserve includes $1,190,386 for TRS and $4,863,300 for ERS.
- *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.

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 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 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	$ 60,646,199
Increase in compensated absences liability	(2,477,149)
Net position as restated, July 1, 2024	$ 58,169,050

3. Stewardship and Compliance

The District's unassigned fund balance in the general fund exceeds 4% of the 2026 budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

The capital projects fund's deficit fund balance of $656,545 will be funded when bond anticipation notes are redeemed from subsequent budget appropriations or converted to permanent financing.

4. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
General	$ 1,425,827	$ 71,670	$ -	$ 11,046,466
Capital projects	32	-	7,422,649	-
Special aid	68,305	1,425,827	68,305	-
Debt service	3,333	-	3,555,512	-
Miscellaneous special revenue	-	10,629	-	-
Custodial	10,629	-	-	-
	$ 1,508,126	$ 1,508,126	$ 11,046,466	$ 11,046,466

The District's general fund provides cash flow to the various other funds; these amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. The general fund made permanent transfers to the capital projects fund to finance a capital project, the special aid fund to cover its share of costs related to the summer school handicap program, and to the debt service fund for the District's annual debt payments.

5. Capital Assets

	July 1, 2024	Increases	Retirements/ Reclassifications	June 30, 2025
Non-depreciable and non-amortizable capital assets:				
Land	$ 217,389	$ -	$ -	$ 217,389
Construction in progress	-	2,999,326	-	2,999,326
	217,389	2,999,326	-	3,216,715
Depreciable capital assets:				
Land improvements	4,904,560	169,760	-	5,074,320
Buildings and improvements	73,094,182	1,953,024	-	75,047,206
Vehicles	3,707,845	560,339	(426,340)	3,841,844
Furniture and equipment	5,175,495	234,627	(44,186)	5,365,936
Total depreciable assets	86,882,082	2,917,750	(470,526)	89,329,306
Accumulated depreciation:				
Land improvements	(2,688,666)	(192,371)	-	(2,881,037)
Buildings and improvements	(26,652,628)	(1,750,236)	-	(28,402,864)
Vehicles	(1,866,775)	(369,133)	401,660	(28,402,864)
Furniture and equipment	(3,503,477)	(299,149)	33,927	(1,834,248)
Total accumulated depreciation	(34,711,546)	(2,610,889)	435,587	(36,886,848)
Total depreciable assets, net	52,170,536	306,861	(34,939)	52,442,458
Right-to-use lease assets:				
Equipment	972,343	16,596	(6,492)	982,447
Accumulated amortization	(239,912)	(194,476)	6,492	(427,896)
Total right-to-use assets, net	732,431	(177,880)	-	554,551
	$ 53,120,356	$ 3,128,307	$ (34,939)	$ 56,213,724

Depreciation and amortization expense has been allocated to the following functions: general support $315,626, instruction $2,210,047, pupil transportation $221,248, and food service $58,444.

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

Capital assets, net of accumulated depreciation and amortization	$ 56,213,724
Bond anticipation notes payable	(1,398,203)
Bonds and related premiums	(9,808,747)
	$ 45,006,774

6. Short-Term Debt

Bond anticipation notes (BANs) outstanding at June 30, 2025 amounted to $1,398,203 ($1,287,723 as of June 30, 2024) and carry interest at 4.50% (4.50% as of June 30, 2024). In 2025, BANs of $418,648 were redeemed from appropriations and $1,398,203 were issued to provide $529,128 of additional capital project funding and to refinance $869,075 of existing BANs.

Subsequent to year end, in July 2025, the District issued BANs of $17,650,000 which carry interest at 4.0%, mature in July 2026; and will be renewed until such time that permanent capital project financing is obtained. In August 2025, the District issued BANs of $1,501,491 to finance bus purchases and to refinance a portion of existing BANs.

7. Long-Term Liabilities

	July 1, 2024 (As Restated)	Increases	Decreases	June 30, 2025	Amount Due in One Year
Serial bonds	$ 11,945,000	$ -	$ 2,630,000	$ 9,315,000	$ 910,000
Bond premiums	742,566	-	248,819	493,747	-
Compensated absences	3,788,000	349,000	-	4,137,000	503,000
	$ 16,475,566	$ 349,000	$ 2,878,819	$ 13,945,747	$ 1,413,000

Existing Obligations

Description	Maturity	Rate	Balance
DASNY bonds 2017	June 2032	3.0%-5.0%	$ 3,410,000
Serial bonds 2022	December 2035	2.5%-3.0%	5,905,000
			$ 9,315,000

Debt Service Requirements

Years ending June 30,	Principal	Interest
2026	$ 910,000	$ 329,238
2027	950,000	295,425
2028	980,000	260,050
2029	1,015,000	223,425
2030	1,050,000	185,300
2031-2035	3,805,000	377,575
2036	605,000	9,075
	$ 9,315,000	$ 1,680,088

8. Pension Plans

The District participates in the following cost-sharing, multiple employers, 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 $1,243,943. A liability to ERS of $165,601 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 $1,889,876 for its proportionate share of the TRS net pension position and a liability of $1,670,297 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 0.063342%, a decrease of 0.001101 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 0.0097418%, a decrease of 0.0003652 from its proportion measured as of March 31, 2024.

For the year ended June 30, 2025, the District recognized net pension expense of $1,503,555 on the government-wide financial statements (TRS expense of $1,013,394 and ERS expense of $490,161). 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	$ 2,035,049	$ -	$ 414,579	$ (19,556)
Changes of assumptions	1,130,529	(190,166)	70,049	-
Net difference between projected and actual earnings on pension plan investments	-	(2,099,813)	131,047	-
Changes in proportion and differences between contributions and proportionate share of contributions	68,491	(103,409)	346,932	(43,707)
District contributions subsequent to the measurement date	1,243,943	-	165,601	-
	$ 4,478,012	$ (2,393,388)	$ 1,128,208	$ (63,263)

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	$ (980,901)	$ 402,959
2027	2,288,854	517,042
2028	(389,152)	(64,072)
2029	(429,125)	43,415
2030	251,241	-
Thereafter	99,764	-
	$ 840,681	$ 899,344

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 return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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:

	TRS		ERS	
Asset Class	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%
	100%		100%	

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)	$ (8,729,447)	$ 1,889,876	$ 10,281,011
District's proportionate share of the ERS net pension asset (liability)	$ (4,834,050)	$ (1,670,297)	$ 971,439

9. OPEB

Plan Description

The District maintains a single employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance benefits for certain District retirees and their spouses. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. The Plan provides an implicit rate subsidy for retirees that choose to remain on the District's healthcare plan subsequent to retirement at their own expense. Eligibility is based on covered employees who retire from the District and have met vesting requirements. The Plan has no assets, does not issue financial statements, and is not a trust.

At June 30, 2023, employees covered by the Plan include:

Active employees	217
Inactive employees or beneficiaries currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	-
	247

Total OPEB Liability

The District's total OPEB liability of $2,032,257 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023, rolled forward through an interim valuation to June 30, 2024.

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 a review of published national trend survey data for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trends Model v2024_1b for long-term rates, initially 7.75% for pre-65 and 4.6% for post-65, declining to 4.04% in 2075
Salary increases – 3.0%
Mortality – Pub-2010 sex distinct mortality tables for employees and healthy annuitants adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a fully generational basis
Discount rate – 3.97% based on the Fidelity Municipal General Obligation AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.50%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	$ (1,912,044)
Changes for the year:	
Service cost	(99,240)
Interest	(75,777)
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(41,492)
Benefit payments	96,296
Net changes	(120,213)
Balance at June 30, 2025	$ (2,032,257)

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 (2.97%)	Discount Rate (3.97%)	1.0% Increase (4.97%)
Total OPEB liability	$ (2,190,070)	$ (2,032,257)	$ (1,884,366)

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 (6.75% to 3.04%)	Healthcare Cost Trend Rate (7.75% to 4.04%)	1.0% Increase (8.75% to 5.04%)
Total OPEB liability	$ (1,809,961)	$ (2,032,257)	$ (2,292,269)

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

For the year ended June 30, 2025, the District recognized OPEB income of $281,539. 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	$ -	$ (1,591,803)
Changes of assumptions or other inputs	211,162	(687,157)
Benefit payments subsequent to the measurement date	102,070	-
	$ 313,232	$ (2,278,960)

Benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2026	$ (456,556)
2027	(444,161)
2028	(403,653)
2029	(385,472)
2030	(219,302)
Thereafter	(158,654)
	$ (2,067,798)

10. 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.

Workers' Compensation

The District participates in the New York State Public Schools Statewide Workers' Compensation Self-Insurance Trust (the Trust). 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 18 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 past three years.

The Plan has published its own financial report for the year ended June 30, 2025, which can be obtained from New York State Public Schools Statewide Workers' Compensation Self-Insurance Trust, P.O. Box 7657, Garden City, New York 11530.

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan) for certain employee groups. 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.

11. 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 are 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's taxpayers have approved the 2023 capital improvements project that remains in progress at year end and is budgeted not to exceed $29,830,000. At June 30, 2025, $7,112,000 has been expended on the project and numerous open contracts are in place.

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	0.063342%	0.064443%	0.064523%	0.062806%	0.063031%	0.060446%	0.062535%	0.061311%	0.061714%	0.060790%
District's proportionate share of the net pension asset (liability)	$ (1,889,876)	$ (736,959)	$ (1,238,128)	$ 10,883,657	$ (1,741,716)	$ 1,570,684	$ 1,130,790	$ 466,021	$ (660,985)	$ 6,314,192
District's covered payroll	$ 12,094,221	$ 11,902,468	$ 11,432,602	$ 10,660,168	$ 10,698,792	$ 10,603,390	$ 10,174,061	$ 9,715,708	$ 9,338,929	$ 9,240,795
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(15.63%)	(6.19%)	(10.83%)	102.10%	(16.28%)	14.81%	11.11%	4.80%	(7.08%)	68.33%
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

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	$ 1,243,943	$ 1,180,396	$ 1,224,764	$ 1,120,395	$ 1,015,914	$ 947,913	$ 1,126,080	$ 997,058	$ 1,138,681	$ 1,238,342
Contribution in relation to the contractually required contribution	(1,243,943)	(1,180,396)	(1,224,764)	(1,120,395)	(1,015,914)	(947,913)	(1,126,080)	(997,058)	(1,138,681)	(1,238,342)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,304,085	$ 12,094,221	$ 11,902,468	$ 11,432,602	$ 10,660,168	$ 10,698,792	$ 10,603,390	$ 10,174,061	$ 9,715,708	$ 9,338,929
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%

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	0.0097418%	0.0101070%	0.0088409%	0.0092424%	0.0086120%	0.0093402%	0.0100266%	0.0097210%	0.0095773%	0.0094293%
District's proportionate share of the net pension asset (liability)	$ (1,670,297)	$ (1,488,164)	$ (1,895,840)	$ 755,526	$ (8,575)	$ (2,473,348)	$ (710,415)	$ (313,740)	$ (899,909)	$ (1,513,432)
District's covered payroll	$ 4,279,809	$ 3,991,035	$ 3,284,259	$ 3,131,859	$ 3,330,779	$ 3,238,510	$ 3,278,940	$ 3,072,177	$ 2,922,268	$ 2,778,918
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(39.03%)	(37.29%)	(57.73%)	24.12%	(0.26%)	(76.37%)	(21.67%)	(10.21%)	(30.79%)	(54.46%)
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

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	$ 640,633	$ 509,836	$ 377,368	$ 497,498	$ 478,728	$ 465,336	$ 492,714	$ 467,897	$ 446,621	$ 531,235
Contribution in relation to the contractually required contribution	(640,633)	(509,836)	(377,368)	(497,498)	(478,728)	(465,336)	(492,714)	(467,897)	(446,621)	(531,235)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,279,809	$ 3,991,035	$ 3,284,259	$ 3,131,859	$ 3,330,779	$ 3,238,510	$ 3,278,940	$ 3,072,177	$ 2,922,268	$ 2,778,918
Contributions as a percentage of covered payroll	14.97%	12.77%	11.49%	15.89%	14.37%	14.37%	15.03%	15.23%	15.28%	19.12%

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	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	$ (1,912,044)	$ (2,066,748)	$ (2,057,773)	$ (3,036,866)	$ (3,065,589)	$ (4,468,338)	$ (4,424,580)	$ (4,632,817)
Changes for the year:								
Service cost	(99,240)	(90,096)	(98,932)	(159,414)	(140,620)	(194,120)	(199,182)	(228,785)
Interest	(75,777)	(77,320)	(40,512)	(76,878)	(99,698)	(166,620)	(162,436)	(140,309)
Changes of benefit terms	-	-	-	-	(713,378)	-	-	-
Differences between expected and actual experience	-	246,911	-	505,714	1,212,263	1,222,840	-	-
Changes of assumptions or other inputs	(41,492)	(47,693)	37,065	592,906	(271,757)	421,266	195,922	464,355
Benefit payments	96,296	122,902	93,404	116,765	41,913	119,383	121,938	112,976
Net change in total OPEB liability	(120,213)	154,704	(8,975)	979,093	28,723	1,402,749	(43,758)	208,237
Total OPEB liability - ending	$ (2,032,257)	$ (1,912,044)	$ (2,066,748)	$ (2,057,773)	$ (3,036,866)	$ (3,065,589)	$ (4,468,338)	$ (4,424,580)
Covered-employee payroll	$ 16,582,487	$ 16,582,487	$ 15,541,443	$ 14,370,575	$ 14,636,872	$ 13,498,472	$ 13,120,200	$ 13,955,609
Total OPEB liability as a percentage of covered-employee payroll	12.3%	11.5%	13.3%	14.3%	20.7%	22.7%	34.1%	31.7%

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 include updates to healthcare trends and demographics in 2024, the impact of revising the election coverage percentage for future retirees from 60% to 40% in 2022, plan changes to move certain participants to new plans for pre-age 65 and Medicare eligible participants in 2021, and the impact of Congress' repeal of the Affordable Care Act's excise Cadillac taxes in 2020.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	7.75%-4.04%	7.75%-4.04%	6.75%-3.78%	6.75%-3.78%	6.50%-4.40%	6.75%-4.75%	7.0%-5.0%	7.25%-5.0%
Salary increases	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Discount rate	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%
Inflation rate	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2017

Data prior to 2018 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	$ 43,926,821
Encumbrances carried over from prior year	33,226
Revised expenditure budget	$ 43,960,047

* * *

Unrestricted Fund Balance

Assigned	$ 2,971,297
Unassigned	3,361,814
	6,333,111
Encumbrances included in assigned fund balance	(31,297)
Less appropriated fund balance used for tax levy	(2,940,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 3,361,814

§1318 of Real Property Tax Law - unrestricted fund balance limit calculation

2026 expenditure budget (unaudited)	$ 39,044,762
4% of budget	1,561,790
Actual percentage of 2026 expenditure budget	8.6%

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2025

Project Title	Original Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
Capital Improvements Project 2023	$ 29,829,634	$ 1,355,410	$ 5,756,867	$ 7,112,277	$ 22,717,357
Smart Schools Bond Act	1,255,318	876,371	97,842	974,213	281,105
	$ 31,084,952	$ 2,231,781	$ 5,854,709	$ 8,086,490	$ 22,998,462

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.S. Department of Education:			
Impact Aid	84.041	N/A	$ 893,341
Indian Education Grants to Local Educational Agencies	84.060	S060A240949	67,310
			960,651
Passed Through New York State Education Department			
Special Education Cluster:			
Special Education Grants to States	84.027	0032-25-0236	378,408
Special Education Preschool Grants	84.173	0033-25-0236	6,320
Total Special Education Cluster			384,728
Title I Grants to Local Educational Agencies	84.010	0021-25-0830	221,254
Supporting Effective Instruction State Grants	84.367	0147-25-0830	31,956
Student Support and Academic Enrichment Program	84.424	0204-25-0830	16,915
Education Stabilization Fund:			
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0830	66,840
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-0830	134,261
Total Education Stabilization Fund			201,101
Total U.S. Department of Education			1,816,605
U.S. Department of Agriculture:			
Passed Through New York State Education Department			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	133,120
National School Lunch Program	10.555	N/A	399,530
Passed Through New York State Office of General Services			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	29,229
Total U.S. Department of Agriculture and Child Nutrition Cluster			561,879
Total Expenditures of Federal Awards			$ 2,378,484

See accompanying notes.

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 Akron Central 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 $29,229 worth of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

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
Akron Central 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 Akron Central 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 September 17, 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.

Lyndon & McCormick, LLP

September 17, 2025

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS
Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

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
Akron Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Lumsden & McCormick, LLP

September 17, 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
Impact Aid	84.041	$ 893,341

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.