Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 14, 2025

Members of the Audit Committee and
The Board of Education
Cheektowaga Central School District

We have audited the financial statements of Cheektowaga Central School District (the District) for the year ended June 30, 2025 and have issued our report thereon dated October 14, 2025. Professional standards also require that we advise you of the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 28, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls and other matters noted during our audit in a separate letter to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope we previously communicated to you in the engagement letter.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District are included in Note 1 to the financial statements. The District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during 2025. Other than the adoption of this standard, no new accounting policies were adopted and the application of existing policies was not changed during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Audit Risk Items

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive and significant accounting estimates and audit risk items affecting the financial statements and our audit include:

- Recognition of capital assets at historical or estimated historical cost within established threshold values and the consistent application of depreciable lives and methods
- Recognition of leases receivable and related deferred inflows of resources
- Accrual of compensated absences (vacation and sick pay liabilities), other postemployment benefits (OPEB), and net pension position and their related disclosures
- Reserves established, funded, and reported in the general fund as restricted fund balance

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly important because of their significance to financial statement users. The most important disclosures affecting the financial statements are reflected in Note 2 – Change in Accounting Principle, Note 3 – Stewardship and Compliance, Note 7 – Long-Term Liabilities, Note 8 – Pension Plans, and Note 9 – OPEB. These disclosures present the impact on the implementation of GASB 101 on beginning net position, compliance requirements with State law, and the existing long-term liabilities of the District, including the actuarially determined net pension position in the State's pension plans and the actuarial accrued liability for the District's OPEB. We evaluated all disclosures in relation to the financial statements as a whole and determined that they are reasonable.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances, or disclosures, and the financial statements as a whole. Management has acknowledged and taken responsibility for all adjustments required to convert the fund basis financial statements to the government-wide basis.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements included at the end of this letter were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. There were no modifications to the audit opinion.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

We applied certain limited procedures to management's discussion and analysis and other required supplementary information (RSI) regarding pensions and OPEB. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards and other supplementary information which accompanies the financial statements and is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with GAAP and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the information and use of the District's Audit Committee, Board of Education, and management of the District. It is not intended to be, and should not be, used by anyone other than these specified parties.

Lyman & McCormick, LLP

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MANAGEMENT LETTER

October 14, 2025

The Audit Committee, Board of Education,
and Management
Cheektowaga Central School District

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the remaining fund information of Cheektowaga Central School District (the District) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chances of the future event or events occurring is more than remote but less than likely.

- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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 may exist that have not been identified.

OBSERVATIONS

General fund committed and unassigned fund balance

The committed and unassigned fund balance in the general fund was approximately $13,680,000 at June 30, 2025 which represents 20.1% of the 2026 expenditure budget. As you are aware, the legal limit imposed by the State is 4% of the ensuing year's budget.

Excess fund balance in the food service fund

In accordance with Federal and New York State Education Department (NYSED) regulations, fund balance in the school lunch fund should not exceed three months' average expenditures, as defined, at any time. NYSED requires that the District submit an excess fund balance spending plan when fund balance exceeds six months' average expenditures. As a result of COVID-related shutdowns and additional funding, the District exceeded this limit at year end. District management submitted a plan approved by the Child Nutrition Program Administration detailing its plans to use the excess balance for necessary food service equipment through June 30, 2025. Despite the District making its approved purchases, additional State reimbursements again caused an increase in fund balance at June 30, 2025. We recommend District management continue to review fund balance and authorize additional uses of fund balance as necessary. Allowable uses include improving the quality of food served or purchasing needed supplies, services, or equipment.

PRIOR YEAR RECOMMENDATIONS

Bank reconciliations

During our audit, we noted improvement in the performance of bank reconciliations in a timely manner but continued to note reductions in interfund receivables and payables balances in the general ledger prior to the actual transfers taking place, causing reconciliation discrepancies and necessary adjustments in various funds. We continue to recommend that management compare general ledger balances to the bank reconciliations, with any differences being investigated immediately.

Interfund receivables and payables

We are pleased to report that amounts owed between funds are now being liquidated in a timely manner.

Capital assets

During our audit, we noted the capital asset inventory system was not reconciled to the accounting records properly. We continue to recommend the District reconcile the capital asset inventory systems to the accounting records timely, ensure all additions and disposals are properly reflected, and to investigate any discrepancies.

Extraclassroom activity clubs

As outlined in the New York State Education Department's Manual, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*, one of the main purposes of extraclassroom activities is to provide the District with an opportunity to teach pupils basic bookkeeping procedures through participation in handling funds and maintaining appropriate records. We noted several areas for improvement, detailed as follows:

- We again identified instances where student ledgers were not provided or did not agree to the central treasurer's records. We recommend that the District continue to educate and train student officers and faculty advisors on the importance of maintaining accurate and complete ledgers for their clubs.
- We identified instances where supporting documentation was not maintained for all transactions. We recommend that club advisors and treasurers review their records to ensure all transactions include proper documentation for receipts and disbursements.
- We identified seventeen clubs that had no financial activity during the year. We continue to recommend that the District monitor its clubs and close those that are deemed to be inactive.

ACCOUNTING STANDARDS UPDATES

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for the District's year ending June 30, 2026. This statement attempts to improve key components of the financial reporting model by limiting management's discussion and analysis to five specific topics, requiring separate presentation of unusual or infrequent items, and requiring that budgetary comparisons be presented as required supplementary information.

GASB Statement No. 104, *Disclosures of Certain Capital Assets,* is effective for the District's year ending June 30, 2026. This statement requires that lease assets, intangible right-to-use assets, and subscription assets be separately disclosed by major class of underlying asset in the capital assets note disclosures. In addition, capital assets held for sale are now required to be evaluated each reporting period and additional disclosures are also required.

We have discussed these comments with District personnel and would be pleased to discuss them in further detail, perform any additional studies, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the District's management, Audit Committee, and Board of Education; others within the District; the NYS Education Department Office of Audit Services; and the Office of the NYS Comptroller, Division of Local Government and School Accountability. It is not intended to be, and should not be, used by anyone other than these specified parties.

Lumsden & McCormick, LLP

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2025

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Cheektowaga 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 Cheektowaga 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 October 14, 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.

Symsden & McCormick, LLP

October 14, 2025

Management's Discussion and Analysis (unaudited)

June 30, 2025

Introduction

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

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

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

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

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

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

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

Condensed Statement of Net Position	2025	2024	Change $	Change %
Current and other assets	$ 50,521,000	$ 36,174,000	$ 14,347,000	39.7%
Capital assets	55,612,000	58,304,000	(2,692,000)	(4.6%)
Total assets	106,133,000	94,478,000	11,655,000	12.3%
Deferred outflows of resources	9,540,000	9,961,000	(421,000)	(4.2%)
Long-term liabilities	38,612,000	38,456,000	156,000	0.4%
Other liabilities	4,167,000	3,209,000	958,000	29.9%
Total liabilities	42,779,000	41,665,000	1,114,000	2.7%
Deferred inflows of resources	7,768,000	6,465,000	1,303,000	20.2%
Net position				
Net investment in capital assets	24,867,000	25,402,000	(535,000)	(2.1%)
Restricted	29,476,000	19,720,000	9,756,000	49.5%
Unrestricted	10,783,000	11,187,000	(404,000)	(3.6%)
Total net position	$ 65,126,000	$ 56,309,000	$ 8,817,000	15.7%

Net position amounted to $65,126,000 and $56,309,000 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, and furniture and equipment, less outstanding debt used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

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

Total assets increased by $11,655,000 ($5,991,000 increase in 2024). Current and other assets increased $14,347,000 ($9,075,000 increase in 2024) primarily as a result of current year operating results and the District's proportionate share of the TRS net pension position resulting in an asset of $3,073,000 in 2025 compared to a liability of $1,140,000 in 2024. Net capital assets decreased $2,692,000 ($3,084,000 decrease in 2024) due to depreciation and amortization expense and disposals in excess of capital spending.

Total liabilities increased $1,114,000 ($3,587,000 decrease in 2024). Long-term liabilities increased $156,000 ($3,753,000 decrease in 2024) primarily due to an increase in compensated absences and retiree health benefits of $2,200,000 with the implementation of GASB 101 as noted above as well as an increase in the District's OPEB liability of $782,000. This was offset by required principal payments on the District's bonds and energy performance contract, along with amortization of bond premiums, totaling $2,156,000, as well as a decrease in the District's proportionate share of the TRS and ERS net pension liabilities of $670,000. The increase in other liabilities of $958,000 (increase of $166,000 in 2024) is primarily a result of an increase in accounts payable of $816,000 due to the timing of payments.

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

Condensed Statement of Activities	2025	2024	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 926,000**	$ 640,000	$ 286,000	44.7%
Operating and capital grants and contributions	**6,986,000**	7,638,000	(652,000)	(8.5%)
General revenues				
Real property taxes	**27,909,000**	27,286,000	623,000	2.3%
Sales tax	**3,872,000**	3,628,000	244,000	6.7%
State aid	**35,280,000**	32,491,000	2,789,000	8.6%
Other	**2,040,000**	1,288,000	752,000	58.4%
Total revenues	**77,013,000**	72,971,000	4,042,000	5.5%
Expenses				
Instruction	**47,239,000**	46,488,000	751,000	1.6%
Support services				
General support	**6,544,000**	6,628,000	(84,000)	(1.3%)
Pupil transportation	**9,897,000**	9,637,000	260,000	2.7%
Food service	**1,521,000**	1,466,000	55,000	3.8%
Interest	**1,021,000**	1,286,000	(265,000)	(20.6%)
Total expenses	**66,222,000**	65,505,000	717,000	1.1%
Change in net position	**10,791,000**	7,466,000	3,325,000	44.5%
Net position – beginning	**56,309,000**	48,843,000	7,466,000	15.3%
Cumulative effect of a change in accounting principle	**(1,974,000)**	-	(1,974,000)	
Net position – ending	**$ 65,126,000**	$ 56,309,000	$ 8,817,000	15.7%

District revenues increased $4,042,000 ($6,360,000 or 9.5% increase in 2024). This increase was caused by increases in State aid due to an increase in general aid in the State budget of $2,463,000 as well as increases in transportation aid of $577,000 and excess cost aid of $616,000 as a result of increases in their related expenses in 2024. In addition, charges for services increased $286,000 ($149,000 or 18.9% decrease in 2024) due to tuition received from other districts and other revenues increased $752,000 ($485,000 or 60.4% increase in 2024) due to additional interest earnings. These increases were offset by decreases in operating and capital grants due to a decrease in funding from the Education Stabilization Fund of $870,000 as the grant period concluded.

Total expenses increased $717,000 ($3,796,000 or 6.2% increase in 2024). The increase in expenses was primarily the result of an increase in salaries of $1,144,000 due to contractual raises and hiring of new employees, an increase in non-pension employee benefits of $522,000, an increase in pupil transportation costs with increased contract rates of $137,000, and an increase in tuition expenses and supplies of $764,000. This was offset by a decrease in pension expense of $1,843,000.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased $10,856,000 from $31,387,000 to $42,243,000 as described below:

- Total fund revenues increased $3,998,000 or 5.5% ($6,511,000 or 9.8% increase in 2024) primarily due to increases in State aid, tuition, and interest earnings, as noted above.
- Spending across all governmental funds increased by $2,583,000 or 4.1% ($1,141,000 or 1.8% increase in 2024). The District incurred $232,000 less capital project expenditures in 2025. This was offset by increases in salaries, employee benefits, transportation costs, and tuition expenses as noted above.
- The general fund experienced an increase in fund balance of $10,815,000 during 2025 compared to a $9,461,000 increase in 2024 as a result of the state aid increases and continued strong sales tax revenue.

General Fund Budgetary Highlights

The revenue budget for 2025 was $62,410,000. Actual revenues amounted to $70,183,000, a favorable difference of $7,773,000. This was primarily caused by favorable variances in state aid, sales tax, and interest.

Actual expenditures and carryover encumbrances were less than the final amended budget by $3,020,000 or 4.8%. The difference is attributable to many factors and many unknown items when the budget is prepared. The District was able to generate considerable savings in programs for children with handicapping conditions, central services, and employee benefits.

Capital Assets

	2025	2024
Land	**$ 1,231,000**	$ 1,231,000
Construction in progress	**14,000**	20,000
Land improvements	**16,587,000**	16,587,000
Buildings and improvements	**77,614,000**	77,333,000
Furniture and equipment	**3,871,000**	3,461,000
Vehicles	**183,000**	126,000
	99,500,000	98,758,000
Accumulated depreciation	**(44,053,000)**	(40,692,000)
	55,447,000	58,066,000
Right-to-use leased equipment, net	**165,000**	238,000
	$ 55,612,000	$ 58,304,000

Current year additions of $744,000 were offset by depreciation and amortization expense of $3,435,000 and a $1,000 loss on disposals.

Debt

At June 30, 2025, the District had $28,060,000 in bonds outstanding, with $1,945,000 due within one year ($30,003,000 in bonds and energy performance contracts outstanding at June 30, 2024). Outstanding compensated absences payable were $3,999,000, with $897,000 expected to be paid or used within one year ($3,773,000 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 planning process.

Contact for the District's Financial Management

This financial report is designed to provide our District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Laurie Widman, Business Administrator, Cheektowaga Central School District, 3600 Union Road, Cheektowaga, New York 14225.

Statement of Net Position

June 30, 2025

Assets	
Cash and cash equivalents	**$ 28,830,729**
Investments	**12,402,372**
Due from other governments	**1,442,371**
State and federal aid receivable	**3,555,921**
Inventory	**43,827**
Lease receivable	**1,172,777**
Net pension asset	**3,073,339**
Capital assets (Note 6)	**99,819,667**
Accumulated depreciation and amortization	**(44,207,595)**
Total assets	**106,133,408**
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	**8,556,487**
Deferred outflows of resources related to OPEB	**983,958**
Total deferred outflows of resources	**9,540,445**
Liabilities	
Accounts payable	**1,579,713**
Accrued liabilities	**149,122**
Due to retirement systems	**2,437,983**
Long-term liabilities	
Due within one year:	
Bonds	**1,945,000**
Compensated absences and retiree health benefits	**897,000**
Due beyond one year:	
Bonds and related premiums	**28,800,440**
Compensated absences and retiree health benefits	**3,102,000**
Net pension liability	**2,306,267**
Total OPEB liability	**1,561,675**
Total liabilities	**42,779,200**
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	**1,172,777**
Deferred inflows of resources related to pensions	**4,221,781**
Deferred inflows of resources related to OPEB	**2,373,910**
Total deferred inflows of resources	**7,768,468**
Net Position	
Net investment in capital assets	**24,866,632**
Restricted	**29,476,469**
Unrestricted	**10,783,084**
Total net position	**$ 65,126,185**

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
Governmental activities				
General support	$ 6,544,005	$ 557,139	$ -	**$ (5,986,866)**
Instruction	47,238,456	324,772	5,173,733	**(41,739,951)**
Pupil transportation	9,897,299	-	-	**(9,897,299)**
Interest expense	1,021,151	-	-	**(1,021,151)**
School food service	1,521,433	43,944	1,812,448	**334,959**
	$ 66,222,344	$ 925,855	$ 6,986,181	**(58,310,308)**
General revenues				
Real property taxes				**27,908,750**
Sales tax				**3,871,756**
Miscellaneous				**2,040,641**
State aid				**35,280,649**
Total general revenues				**69,101,796**
Change in net position				**10,791,488**
Net position - beginning				**56,308,697**
Cumulative effect of a change in accounting principle (Note 2)				**(1,974,000)**
Net position - beginning as restated				**54,334,697**
Net position - ending				**$ 65,126,185**

See accompanying notes.

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 26,911,052	$ 196,537	$ 122,217	$ 1,563,913	$ 37,010	**$ 28,830,729**
Investments	12,402,372	-	-	-	-	**12,402,372**
Due from other governments	1,442,371	-	-	-	-	**1,442,371**
State and federal aid receivable	797,231	2,479,017	-	279,673	-	**3,555,921**
Due from other funds, net	2,798,214	-	-	-	-	**2,798,214**
Inventory	-	-	-	43,827	-	**43,827**
Lease receivable	1,172,777	-	-	-	-	**1,172,777**
Total assets	$ 45,524,017	$ 2,675,554	$ 122,217	$ 1,887,413	$ 37,010	**$ 50,246,211**
Liabilities						
Accounts payable	$ 1,576,124	$ 2,293	-	$ -	$ 1,296	**$ 1,579,713**
Accrued liabilities	11,840	-	-	2,282	-	**14,122**
Due to retirement systems	2,425,292	-	-	12,691	-	**2,437,983**
Due to other funds, net	-	2,673,261	106,799	18,154	-	**2,798,214**
Total liabilities	4,013,256	2,675,554	106,799	33,127	1,296	**6,830,032**
Deferred Inflows of Resources						
Deferred inflows of resources related to leases	1,172,777	-	-	-	-	**1,172,777**
Fund Balances						
Nonspendable	-	-	-	43,827	-	**43,827**
Restricted	26,351,998	-	15,418	-	35,714	**26,403,130**
Committed	50,000	-	-	-	-	**50,000**
Assigned	305,551	-	-	1,810,459	-	**2,116,010**
Unassigned	13,630,435	-	-	-	-	**13,630,435**
Total fund balances	40,337,984	-	15,418	1,854,286	35,714	**42,243,402**
Total liabilities, deferred inflows of resources, and fund balances	$ 45,524,017	$ 2,675,554	$ 122,217	$ 1,887,413	$ 37,010	**$ 50,246,211**

See accompanying notes.

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

June 30, 2025

Total fund balances - governmental funds		$ 42,243,402
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in the governmental funds.		55,612,072
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:		
Net pension asset	3,073,339	
Deferred outflows of resources related to pensions	8,556,487	
Net pension liability	(2,306,267)	
Deferred inflows of resources related to pensions	(4,221,781)	5,101,778
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:		
Deferred outflows of resources related to OPEB	983,958	
Total OPEB liability	(1,561,675)	
Deferred inflows of resources related to OPEB	(2,373,910)	(2,951,627)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(135,000)	
Bonds and related premiums	(30,745,440)	
Compensated absences and retiree health benefits	(3,999,000)	(34,879,440)
Net position - governmental activities		$ 65,126,185

See accompanying notes.

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

For the year ended June 30, 2025

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues						
Real property taxes	$ 25,582,910	$ -	$ -	$ -	$ -	$ 25,582,910
Real property tax items	2,325,840	-	-	-	-	2,325,840
Nonproperty taxes	3,871,756	-	-	-	-	3,871,756
Charges for services	324,772	-	-	-	-	324,772
Use of money and property	2,240,545	-	9,251	60,796	-	2,310,592
Miscellaneous	269,602	-	-	-	18,417	288,019
State sources	35,280,649	2,808,299	-	34,917	-	38,123,865
Federal sources	287,091	2,078,343	-	1,777,531	-	4,142,965
Sales	-	-	-	43,944	-	43,944
Total revenues	70,183,165	4,886,642	9,251	1,917,188	18,417	77,014,663
Expenditures						
General support	5,250,036	-	-	1,245,436	20,079	6,515,551
Instruction	30,379,479	4,175,290	-	-	-	34,554,769
Pupil transportation	9,279,942	368,777	-	-	-	9,648,719
Employee benefits	11,072,829	530,326	-	28,631	-	11,631,786
Debt service						
Principal	1,943,351	-	-	-	-	1,943,351
Interest	1,253,817	-	-	-	-	1,253,817
Cost of sales	-	-	-	64,832	-	64,832
Capital outlay	-	-	257,536	288,369	-	545,905
Total expenditures	59,179,454	5,074,393	257,536	1,627,268	20,079	66,158,730
Excess revenues (expenditures)	11,003,711	(187,751)	(248,285)	289,920	(1,662)	10,855,933
Other financing sources (uses)						
Operating transfers, net	(188,518)	187,751	767	-	-	-
Net change in fund balances	10,815,193	-	(247,518)	289,920	(1,662)	10,855,933
Fund balances - beginning	29,522,791	-	262,936	1,564,366	37,376	31,387,469
Fund balances - ending	$ 40,337,984	$ -	$ 15,418	$ 1,854,286	$ 35,714	$ 42,243,402

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		$ 10,855,933
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense and disposals exceed capital outlays.		(2,691,558)
Pension expense is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
2025 TRS and ERS contributions	2,664,351	
2025 ERS accrued contribution	163,153	
2024 ERS accrued contribution	(161,931)	
2025 TRS pension expense	(1,650,038)	
2025 ERS pension expense	(546,983)	468,552
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.		208,544
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		1,943,351
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Interest	20,000	
Amortization of bond premiums	212,666	
Compensated absences and retiree health benefits	(226,000)	6,666
Change in net position - governmental activities		$ 10,791,488

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	$ 25,236,376	$ 25,236,376	**$ 25,582,910**		$ 346,534
Real property tax items	2,585,000	2,585,000	**2,325,840**		(259,160)
Nonproperty taxes	2,000,000	2,000,000	**3,871,756**		1,871,756
Charges for services	-	-	**324,772**		324,772
Use of money and property	750,000	750,000	**2,240,545**		1,490,545
Miscellaneous	-	-	**269,602**		269,602
State sources	31,789,000	31,789,000	**35,280,649**		3,491,649
Federal sources	50,000	50,000	**287,091**		237,091
Total revenues	62,410,376	62,410,376	**70,183,165**		7,772,789
Expenditures					
General support					
Board of education	61,605	61,605	**38,989**	-	(22,616)
Central administration	268,500	270,900	**265,254**	-	(5,646)
Finance	493,450	475,490	**439,296**	-	(36,194)
Staff	486,700	485,050	**391,031**	-	(94,019)
Central services	4,162,199	4,212,873	**3,586,924**	247,058	(378,891)
Special items	662,092	632,729	**528,542**	-	(104,187)
Instruction					
Instruction, administration, and improvement	1,629,027	1,621,929	**1,541,970**	-	(79,959)
Teaching - regular school	16,253,306	16,927,351	**16,758,367**	41,099	(127,885)
Programs for children with handicapping conditions	8,896,612	8,612,839	**7,902,609**	-	(710,230)
Occupational education	685,000	685,000	**665,299**	-	(19,701)
Teaching - special schools	130,000	-	**-**	-	-
Instructional media	958,000	1,039,101	**982,047**	-	(57,054)
Pupil services	2,891,232	2,700,857	**2,529,187**	17,394	(154,276)
Pupil transportation	9,341,390	9,346,058	**9,279,942**	-	(66,116)
Employee benefits	12,465,034	12,236,365	**11,072,829**	-	(1,163,536)
Debt service					
Principal	1,943,352	1,943,351	**1,943,351**	-	-
Interest	1,253,816	1,253,817	**1,253,817**	-	-
Total expenditures	62,581,315	62,505,315	**59,179,454**	305,551	(3,020,310)
Excess revenues (expenditures)	(170,939)	(94,939)	**11,003,711**	(305,551)	10,793,099
Other financing sources (uses)					
Operating transfers in	-	-	**99,171**		99,171
Operating transfers out	(200,000)	(276,000)	**(287,689)**		11,689
Carryover encumbrances	370,939	370,939	**-**		(370,939)
Total other financing sources (uses)	170,939	94,939	**(188,518)**		(283,457)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	**$ 10,815,193**	$ (305,551)	$ 10,509,642

See accompanying notes.

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2025

Assets		
Cash	$	105,176
Liabilities		
Due to other governments		1,002
Net Position		
Extraclassroom activity balances	$	104,174

* * *

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2025

Additions		
Student activity additions	$	78,859
Deductions		
Student activity deductions		78,596
Change in net position		263
Net position - beginning		103,911
Net position - ending	$	104,174

See accompanying notes.

1. Summary of Significant Accounting Policies

Reporting Entity

Cheektowaga 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 $4,637,000 for BOCES administrative and program costs and recognized revenue of $156,000 as a refund from prior year expenditures paid to BOCES. In addition, the District leases a building to BOCES through June 2027. Annual lease payments at inception in 2021, including interest at 1%, totaled $532,000 and increase annually based on the consumer price index. For the year ended June 30, 2025, the District recognized lease revenue of $560,402 and interest income of $15,248. The outstanding lease receivable and corresponding deferred inflows of resources totaled $1,172,777 at June 30, 2025.

Audited financial statements are available from BOCES' administrative offices.

Risk Management

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

- *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.
- *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.

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

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

Basis of Accounting and Measurement Focus

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset additions are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

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

Estimates

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

Real Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2025, the tax lien was issued on August 6, 2024 for collection from September 15, 2024 through November 30, 2024. Thereafter, uncollected amounts became the responsibility of Erie County and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

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

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

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

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

Cash, Cash Equivalents, and Investments

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

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

Leases Receivable and Deferred Inflows of Resources Related to Leases

Leases receivable and deferred inflows of resources related to leases are initially recorded at the present value of the expected future lease payments. Principal repayments and interest revenue are recognized as payments are received. Lease revenue is recognized using the effective interest rate over the lease term as deferred inflows of resources are amortized.

Capital Assets

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

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

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

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 prior to or at termination of employment. Such accumulated time is valued based on a combination of the applicable employees' rates of pay at year end and contractual rates of payout at retirement, based on estimates of amounts to be used for each. The liability also includes an estimate of leave that is not attributable to a specific employee but rather is available for use by all employees within certain bargaining units and is valued at the estimated pay rates of all eligible employees. Year to year changes in the liability are presented as a net increase or decrease (Note 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 required by the terms of the District's bonds.
- *Unrestricted* – the net amount of assets and deferred outflows of resources less 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	$	43,827
Restricted:		
Capital		19,936,041
Tax certiorari		583,413
Retirement contribution		2,828,599
Employee benefit accrued liability		1,002,013
Debt service		924,819
Unemployment insurance		122,684
Repairs		923,297
Insurance		46,550
Scholarships		35,714
Committed:		
Educational programs		50,000
Assigned:		
Encumbrances		305,551
Food service		1,810,459
Unassigned		13,630,435
	$	42,243,402

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

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

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

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2017 and 2024, capital reserves were approved by District voters which have been funded to their maximum of $20,000,000 plus interest. Amounts remaining and available for use in the general fund at June 30, 2025 total $19,920,623.
- *Tax certiorari* – is used to pay judgments and claims resulting from certiorari proceedings. Funds not used by July 1 of the fourth fiscal year following their deposit must be returned to unassigned fund balance.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2025, the retirement contribution reserve includes $940,190 for TRS and $1,888,409 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Debt service* - is used to account for resources that are restricted to expenditure for principal and interest. Financial resources that are being accumulated for future principal and interest payments are also included in this fund.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Repairs* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment and requires a public hearing for its use.
- *Insurance* – is used to pay liability, casualty, and other types of losses except losses incurred for which insurance may be purchased. This amount is funded through budgetary appropriations and may not exceed 5% of the budget.

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. Such commitments represent amounts the District has designated to be used for the payment of educational programs.

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

Interfund Balances

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

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

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

2. Change in Accounting Principle

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

Net position, July 1, 2024	$ 56,308,697
Increase in compensated absences liability	(1,974,000)
Net position as restated, July 1, 2024	$ 54,334,697

3. Stewardship and Compliance

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

4. Cash Equivalents and Investments

At June 30, 2025, the District's cash equivalents and investments were held in an external investment pool comprised of U.S. Treasury Securities, repurchase agreements, and deposits held by custodian banks. Investments are recognized at amortized cost which approximates fair value. The external investment pool issues its own financial statements which are included in its annual report available at www.nylaf.org.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the District's external investment pool limits the purchase of investments to a maturity date of no more than 397 days from the purchase date. The maximum dollar weighted average maturity of the pool's investments is 60 days or less.

5. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers In	Transfers Out
General	$ 2,798,214	$ -	$ 99,171	$ 287,689
Special aid	-	2,673,261	187,751	-
Capital projects	-	106,799	99,938	99,171
Food service	-	18,154	-	-
	$ 2,798,214	$ 2,798,214	$ 386,860	$ 386,860

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

6. Capital Assets

	July 1, 2024	Increases	Retirements/ Reclassifications	June 30, 2025
Non-depreciable and non-amortizable capital assets:				
Land	$ 1,231,100	$ -	$ -	$ 1,231,100
Construction in progress	19,860	251,550	(257,215)	14,195
Total non-depreciable and non-amortizable assets	1,250,960	251,550	(257,215)	1,245,295
Depreciable capital assets:				
Land improvements	16,586,905	-	-	16,586,905
Buildings and improvements	77,332,794	33,678	247,215	77,613,687
Furniture and equipment	3,460,962	400,241	10,000	3,871,203
Vehicles	126,150	57,103	-	183,253
Total depreciable assets	97,506,811	491,022	257,215	98,255,048
Accumulated depreciation:				
Land improvements	(4,632,950)	(1,083,440)	-	(5,716,390)
Buildings and improvements	(33,757,586)	(1,945,441)	-	(35,703,027)
Furniture and equipment	(2,237,044)	(317,247)	-	(2,554,291)
Vehicles	(64,769)	(15,236)	-	(80,005)
Total accumulated depreciation	(40,692,349)	(3,361,364)	-	(44,053,713)
Total depreciable assets, net	56,814,462	(2,870,342)	257,215	54,201,335
Right-to-use lease assets:				
Equipment	367,683	1,601	(49,960)	319,324
Accumulated amortization	(129,475)	(73,536)	49,129	(153,882)
Total right-to-use assets, net	238,208	(71,935)	(831)	165,442
	$ 58,303,630	$ (2,690,727)	$ (831)	$ 55,612,072

Depreciation and amortization expense have been allocated to the following functions: general support $498,852, instruction $2,634,308, pupil transportation $266,054, and food service $35,686.

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

Capital assets, net of accumulated depreciation and amortization	$ 55,612,072
Bonds and related premiums	(30,745,440)
	$ 24,866,632

7. Long-Term Liabilities

	July 1, 2024 (As Restated)	Increases	Decreases	June 30, 2025	Amount Due in One Year
Bonds	$ 29,915,000	$ -	$ 1,855,000	$ 28,060,000	$ 1,945,000
Bond premiums	2,898,106	-	212,666	2,685,440	-
Energy performance contract	88,351	-	88,351	-	-
Compensated absences and retiree health benefits	3,773,000	226,000	-	3,999,000	897,000
	$ 36,674,457	$ 226,000	$ 2,156,017	$ 34,744,440	$ 2,842,000

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds - 2019	April 2034	3.00%-5.00%	$ 15,320,000
Serial bonds - 2023A	June 2043	5.00%	12,740,000
			$ 28,060,000

Debt Service Requirements

	Bonds	
Years ending June 30,	Principal	Interest
2026	$ 1,945,000	$ 1,156,500
2027	2,045,000	1,059,250
2028	2,145,000	957,000
2029	2,220,000	881,950
2030	2,295,000	804,050
2031-2035	10,785,000	2,747,400
2036-2040	4,220,000	1,243,250
2041-2043	2,405,000	219,500
	$ 28,060,000	$ 9,068,900

8. Pension Plans

Plan Descriptions

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

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

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

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 10.11% for 2025. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2025, these rates ranged from 11.4% - 17.9%.

The amount outstanding and payable to TRS for the year ended June 30, 2025 was $2,081,761. A liability to ERS of $163,153 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 $3,073,339 for its proportionate share of the TRS net pension position and a liability of $2,306,267 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 0.103007%, an increase of 0.003363 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 0.0134510%, an increase of 0.0009763 from its proportion measured as of March 31, 2024.

For the year ended June 30, 2025, the District recognized pension expense of $2,197,021 on the government-wide financial statements (TRS expense of $1,650,038 and ERS expense of $546,983). 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	$ 3,309,422	$ -	$ 572,431	$ (27,002)
Changes of assumptions	1,838,480	(309,249)	96,720	-
Net difference between projected and actual earnings on pension plan investments	-	(3,414,742)	180,943	-
Changes in proportion and differences between contributions and proportionate share of contributions	114,078	(408,887)	199,499	(61,901)
District contributions subsequent to the measurement date	2,081,761	-	163,153	-
	$ 7,343,741	$ (4,132,878)	$ 1,212,746	$ (88,903)

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	$ (1,656,935)	$ 443,069
2027	3,708,727	641,067
2028	(660,232)	(158,800)
2029	(757,745)	35,354
2030	355,302	-
Thereafter	139,985	-
	$ 1,129,102	$ 960,690

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)	$ (14,195,932)	$ 3,073,339	$ 17,597,260
District's proportionate share of the ERS net pension asset (liability)	$ (6,674,627)	$ (2,306,267)	$ 1,341,316

9. OPEB

Plan Description

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

At June 30, 2024, employees covered by the Plan include:

Active employees	367
Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	-
	388

Total OPEB Liability

The District's total OPEB liability of $1,561,675 was measured as of June 30, 2024 and was determined by an actuarial valuation as of the same date.

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 rate – based on a review of published national trend survey data and updated long-term rates based on the Society of Actuaries Getzen Long-Term Healthcare Cost Trends Model v2024_1b, with a rate of 7.75% initially for pre-65, 4.60% for post-65, and 7.75% for prescription drug coverage, reduced to an ultimate rate of 4.04% in 2075
Salary increases – 3.5%
Mortality – Pub-2010 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 General Obligation 20-year AA Municipal Bond Index as of the measurement date
Inflation rate – 2.5%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	$ (779,227)
Changes for the year:	
Service cost	(65,993)
Interest	(32,594)
Changes of benefit terms	-
Differences between expected and actual experience	(652,348)
Changes of assumptions or other inputs	(33,132)
Benefit payments	1,619
Net changes	(782,448)
Balance at June 30, 2025	$ (1,561,675)

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	$ (1,658,713)	$ (1,561,675)	$ (1,460,697)

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	$ (1,403,416)	$ (1,561,675)	$ (1,736,995)

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 $181,609. 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	$ 592,554	$ (2,209,411)
Changes of assumptions or other inputs	364,469	(164,499)
Benefit payments subsequent to the measurement date	26,935	-
	$ 983,958	$ (2,373,910)

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2026	$ (280,196)
2027	(280,196)
2028	(273,135)
2029	(219,976)
2030	(121,764)
Thereafter	(241,620)
	$ (1,416,887)

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.

Health Insurance

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

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

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

Workers' Compensation

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

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

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

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 is subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

Litigation

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

Separate from claims and lawsuits that arise in the ordinary course of business, legislation was put in place regarding historical claims that were previously time-barred. The Child Victims Act, as amended, allowed any individual who was a minor at the time they suffered any alleged sexual abuse to file a lawsuit before August 14, 2021 regardless of when the alleged abuse occurred. This has resulted in the filing of thousands of lawsuits State-wide. Management is aware of one pending lawsuit initiated against the District by former boy scouts who allege that inappropriate sexual contact occurred between them and employees of the District over 50 years ago. The District has retained counsel. As of the report date of the financial statements, the District's exposure to these claims has not been determined.

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	0.103007%	0.099644%	0.096024%	0.093690%	0.101047%	0.098594%	0.095852%	0.101843%	0.099317%	0.099907%
District's proportionate share of the net pension asset (liability)	$ 3,073,339	$ (1,139,510)	$ (1,842,601)	$ 16,235,617	$ (2,792,193)	$ 2,561,482	$ 1,733,254	$ 774,110	$ (1,063,732)	$ 10,377,179
District's covered payroll	$ 19,656,281	$ 18,391,672	$ 17,010,959	$ 15,905,488	$ 17,153,138	$ 16,456,968	$ 15,613,184	$ 16,138,797	$ 15,325,686	$ 15,007,424
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	15.64%	(6.20%)	(10.83%)	102.08%	(16.28%)	15.56%	11.10%	4.80%	(6.94%)	69.15%
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	$ 2,081,761	$ 1,918,453	$ 1,892,503	$ 1,667,074	$ 1,515,793	$ 1,519,768	$ 1,747,730	$ 1,530,092	$ 1,891,467	$ 2,032,186
Contribution in relation to the contractually required contribution	(2,081,761)	(1,918,453)	(1,892,503)	(1,667,074)	(1,515,793)	(1,519,768)	(1,747,730)	(1,530,092)	(1,891,467)	(2,032,186)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 20,591,108	$ 19,656,281	$ 18,391,672	$ 17,010,959	$ 15,905,488	$ 17,153,138	$ 16,456,968	$ 15,613,184	$ 16,138,797	$ 15,325,686
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	0.0134510%	0.0124747%	0.0118186%	0.0115868%	0.0125934%	0.0134976%	0.0131515%	0.0133343%	0.0141251%	0.0147268%
District's proportionate share of the net pension asset (liability)	$ (2,306,267)	$ (1,836,775)	$ (2,534,394)	$ 947,174	$ (12,540)	$ (3,574,242)	$ (931,827)	$ (430,357)	$ (1,327,229)	$ (2,363,688)
District's covered payroll	$ 4,196,323	$ 4,190,884	$ 4,005,950	$ 3,903,721	$ 4,343,561	$ 4,323,326	$ 4,150,825	$ 3,966,240	$ 3,949,295	$ 4,042,934
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(54.96%)	(43.83%)	(63.27%)	24.26%	(0.29%)	(82.67%)	(22.45%)	(10.85%)	(33.61%)	(58.46%)
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	$ 582,590	$ 520,252	$ 453,611	$ 610,086	$ 601,752	$ 593,776	$ 580,956	$ 568,263	$ 576,514	$ 742,863
Contribution in relation to the contractually required contribution	(582,590)	(520,252)	(453,611)	(610,086)	(601,752)	(593,776)	(580,956)	(568,263)	(576,514)	(742,863)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,196,323	$ 4,190,884	$ 4,005,950	$ 3,903,721	$ 4,343,561	$ 4,323,326	$ 4,150,825	$ 3,966,240	$ 3,949,295	$ 4,042,934
Contributions as a percentage of covered payroll	13.88%	12.41%	11.32%	15.63%	13.85%	13.73%	14.00%	14.33%	14.60%	18.37%

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	$ (779,227)	$ (713,884)	$ (2,163,569)	$ (1,928,558)	$ (2,596,385)	$ (2,444,169)	$ (3,551,177)	$ (3,796,107)
Changes for the year:								
Service cost	(65,993)	(65,130)	(130,057)	(114,540)	(136,552)	(128,242)	(157,879)	(180,909)
Interest	(32,594)	(28,839)	(43,493)	(49,244)	(84,078)	(91,720)	(130,535)	(114,114)
Changes of benefit terms	-	-	(2,984)	-	-	135,765	-	-
Differences between expected and actual experience	(652,348)	-	1,553,291	-	757,770	-	1,815,365	-
Changes of assumptions or other inputs	(33,132)	33,688	16,147	(137,503)	37,246	(145,407)	(504,643)	401,930
Benefit payments	1,619	(5,062)	56,781	66,276	93,441	77,388	84,700	138,023
Net change in total OPEB liability	(782,448)	(65,343)	1,449,685	(235,011)	667,827	(152,216)	1,107,008	244,930
Total OPEB liability - ending	$ (1,561,675)	$ (779,227)	$ (713,884)	$ (2,163,569)	$ (1,928,558)	$ (2,596,385)	$ (2,444,169)	$ (3,551,177)
Covered-employee payroll	$ 23,847,165	$ 21,443,429	$ 21,443,429	$ 20,378,166	$ 20,380,286	$ 21,650,974	$ 20,659,603	$ 21,038,285
Total OPEB liability as a percentage of covered-employee payroll	6.5%	3.6%	3.3%	10.6%	9.5%	12.0%	11.8%	16.9%

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 in 2025 reflect a revision in turnover rates due to the reduction in vesting period of certain employees from 10 years to 5 years. Differences between expected and actual experience in 2023 reflect revision of the pre-65 election coverage percentage from 40% to 30% to better reflect actual experience. For 2021, such differences reflect a less than expected increase in claims costs and changes in healthcare trend rates. Changes of benefit terms for 2020 are due to a change in available medical plan options for certain employee groups. Differences between expected and actual experience for 2019 include the impact of demographic changes and benefit claim costs.

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%	6.50%-3.78%	6.50%-3.78%	6.75%-3.78%	7.00%-3.89%	7.25%-3.89%
Inflation	2.5%	2.5%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Salary increases	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.0%-3.5%
Discount rate	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%
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.

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

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	$	62,410,376
Encumbrances carried over from prior year		370,939
Revised expenditure budget	$	62,781,315

* * *

Unrestricted Fund Balance

Committed	$	50,000
Assigned		305,551
Unassigned		13,630,435
		13,985,986
Encumbrances included in assigned fund balance		(305,551)
Appropriated fund balance used for tax levy		-
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$	13,680,435

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

2026 expenditure budget (unaudited)	$	67,947,783
4% of budget		2,717,911
Actual percentage of 2026 expenditure budget		20.1%

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2025

Project Title	Original Budget	Expenditures			Unexpended Balance
		Prior Years	Current Year	Total	
Capital outlay 2025	$ 100,000	$ -	$ 99,938	$ 99,938	$ 62
Capital outlay 2026	100,000	-	14,195	14,195	85,805
Union East emergency roofing	250,000	19,860	143,403	163,263	86,737
	$ 450,000	$ 19,860	$ 257,536	$ 277,396	$ 172,604

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:			
Passed Through New York State Education Department:			
Special Education Cluster:			
Special Education Grants to States	84.027	0032-25-0214	$ 622,167
Special Education Preschool Grants	84.173	0033-25-0214	25,940
Total Special Education Cluster			648,107
Title I Grants to Local Educational Agencies	84.010	0021-25-0745	848,872
Title I Grants to Local Educational Agencies	84.010	0021-24-0745	15,597
Title I Grants to Local Educational Agencies	84.010	0011-25-3022	198,357
Title I Grants to Local Educational Agencies	84.010	0011-24-3022	4,858
Supporting Effective Instruction State Grants	84.367	0147-25-0745	89,297
Supporting Effective Instruction State Grants	84.367	0147-24-0745	3,175
English Language Acquisition State Grants	84.365	0149-25-0745	23,179
English Language Acquisition State Grants	84.365	0293-25-0745	34,144
English Language Acquisition State Grants	84.365	0204-25-0745	66,029
Education Stabilization Fund:			
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0745	144,502
American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	5218-21-0745	2,226
Total Education Stabilization Fund			146,728
Total U.S. Department of Education			2,078,343
U.S. Department of Homeland Security:			
Passed Through New York State Division of Homeland Security and Emergency Services:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4694	7,712
U.S. Department of Agriculture:			
Passed Through New York State Education Department:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	560,104
National School Lunch Program	10.555	N/A	1,132,185
Passed Through New York State Office of General Services:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	85,242
Total Child Nutrition Cluster and U.S. Department of Agriculture			1,777,531
Total Expenditures of Federal Awards			$ 3,863,586

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 Cheektowaga 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 $85,242 worth of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

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

The Board of Education
Cheektowaga 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 Cheektowaga 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 October 14, 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.

Lyrnsden & McCormick, LLP

October 14, 2025

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

The Board of Education
Cheektowaga Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cheektowaga 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.



October 14, 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
School Breakfast Program	10.553	$ 560,104
National School Lunch Program	10.555	1,217,427
		$ 1,777,531

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.

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY

JUNE 30, 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

The Board of Education
Cheektowaga Central School District

Qualified Opinion

We have audited the accompanying schedule of additions and deductions of Cheektowaga Central School District (the District) extraclassroom activity for the year ended June 30, 2025, and the related notes to the schedule.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the schedule referred to in the first paragraph presents fairly, in all material respects, the additions and deductions of the District's extraclassroom activity for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Qualified Opinion

Certain accounting records of the District's extraclassroom activity were not adequate for us to form an opinion regarding the completeness of additions in the accompanying schedule stated at $78,859.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule 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 qualified audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, 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 schedule.
- 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 schedule.

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.

Lyman & McCormick, LLP

October 14, 2025

Schedule of Additions and Deductions

For the year ended June 30, 2025

	July 1, 2024	Additions	Deductions	June 30, 2025
Class Clubs:				
2023	$ 7,162	$ -	$ 7,162	$ -
2024	3,794	-	-	3,794
2025	3,709	18,386	14,592	7,503
2026	1,805	-	-	1,805
2027	277	765	343	699
2028	-	396	96	300
Boys Baseball Club	1,835	-	25	1,810
Boys Football Club	72	-	-	72
Boys Swimming Club	47	250	279	18
Boys Volleyball Club	1,253	-	-	1,253
Girls Cheerleading Club	-	1,063	939	124
Girls Swimming Club	559	244	275	528
Bowling Club	717	-	-	717
Modified Swim Club	1,492	390	494	1,388
Wrestling Club	168	-	-	168
Boys Basketball Club	6	-	-	6
Girls Basketball Club	460	-	-	460
Varsity "C" Club	40,551	13,469	17,466	36,554
Ambassador Club	19	-	-	19
Art Club - HS	26	-	-	26
Bookstore Club	82	802	-	884
Central Club	3,738	3,609	5,929	1,418
Challenge Club	156	-	92	64
CIS (Spirit) Club	1,023	9,817	5,264	5,576
Conservation Club	591	-	-	591
Future Teachers Club	238	-	-	238
International Club - HS	439	-	-	439
MS Jr Challenge Club	1,602	-	188	1,414
MS Media Club	2,821	-	-	2,821
MS Art Club	55	-	-	55
Music Club	9,646	21,904	22,136	9,414
Musical Theater Club - HS	631	667	806	492
National Honor Society Club - HS	924	-	302	622
National Honor Society Club - MS	970	523	468	1,025
	86,868	72,285	76,856	82,297

See accompanying notes.

Schedule of Additions and Deductions, continued

For the year ended June 30, 2025

	July 1, 2024	Additions	Deductions	June 30, 2025
Subtotal from previous page	$ 86,868	$ 72,285	$ 76,856	**$ 82,297**
Performing Arts Club - MS	1,004	5,565	-	**6,569**
SADD Club	253	257	-	**510**
Science Club	291	-	-	**291**
Student Benefit Club	-	-	-	**-**
Student Council Club - HS	4,103	-	383	**3,720**
Student Council Club - MS	4,271	-	89	**4,182**
Tri-M Music Honor Society Club	266	379	373	**272**
Yearbook Club - MS	6,855	373	895	**6,333**
	$ 103,911	$ 78,859	$ 78,596	**$ 104,174**

See accompanying notes.

Notes to the Schedule

1. Summary of Significant Accounting Policies

Financial Reporting Entity

Extraclassroom activity accounts are operated by and for the students. Proceeds are voluntarily collected by students and are spent by them, as they deem appropriate under established guidelines. The extraclassroom activity accounts are included in the financial statements of Cheektowaga Central School District in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.