CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2026

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

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Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

The Board of Education
Cheektowaga-Sloan Union Free School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Cheektowaga-Sloan Union Free School District (the District), as of and for the year ended June 30, 2026, 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, 2026, and the respective changes in financial position 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 basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic 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 20, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lemmen & McCormick, LLP

October 20, 2026

Management's Discussion and Analysis (Unaudited)

June 30, 2026

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) of Cheektowaga-Sloan Union Free School District (the District) provides an overview of the District's financial performance and activities for the year ended June 30, 2026. 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, (6) required supplementary information, and (7) supplementary information.

In 2026, the District implemented GASB Statements No. 103, *Financial Reporting Model Improvements*, No. 104, *Disclosures of Certain Capital Assets*, and No. 105, *Subsequent Events*. GASB 103 updates certain aspects of the governmental financial reporting model, including this MD&A, budgetary comparison information, and unusual or infrequent items, if any. The statement is intended to enhance the usefulness of governmental financial reports for decision-making and accountability. GASB 104 requires that lease assets, intangible right-to-use assets, and subscription assets, if any, be separately disclosed by major class of underlying asset in the capital assets note disclosure. In addition, capital assets held for sale, if any, are required to be evaluated each reporting period and additional disclosures are also required. GASB 105, which is being early implemented, establishes guidance for identifying and reporting events that occur after the date of the financial statements but before the financial statements are available to be issued, clarifies the distinction between recognized and nonrecognized subsequent events, and requires disclosure of the date through which subsequent events have been evaluated.

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.

Financial Summary and Detailed Analyses

Condensed Statement of Net Position	2026	2025	Change $	Change %
Current and other assets	$ 50,234,000	$ 50,251,000	$ (17,000)	(0.0%)
Capital assets	33,528,000	32,893,000	635,000	1.9%
Total assets	83,762,000	83,144,000	618,000	0.7%
Deferred outflows of resources	5,547,000	5,517,000	30,000	0.5%
Long-term liabilities	11,366,000	13,788,000	(2,422,000)	(17.6%)
Other liabilities	3,369,000	4,970,000	(1,601,000)	(32.2%)
Total liabilities	14,735,000	18,758,000	(4,023,000)	(21.4%)
Deferred inflows of resources	3,824,000	2,477,000	1,347,000	54.4%
Net position				
Net investment in capital assets	26,028,000	23,387,000	2,641,000	11.3%
Restricted	37,503,000	38,346,000	(843,000)	(2.2%)
Unrestricted	7,219,000	5,693,000	1,526,000	26.8%
Total net position	$ 70,750,000	$ 67,426,000	$ 3,324,000	4.9%

Net position amounted to $70,750,000 and $67,426,000 as of June 30, 2026 and 2025, respectively. A portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

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

Total assets increased by $618,000 ($6,946,000 increase in 2025). Current and other assets decreased by $17,000 (increase of $3,096,000 in 2025) and capital assets increased by $635,000 (increase of $3,850,000 in 2025). The decrease in current and other assets is due to a decrease of $1,549,000 in cash and investments as a result of operations during the year. In addition, the District's proportionate share of the TRS net pension position amounted to $3,701,000 compared to $1,927,000 in 2025. Capital assets increased as a result of capital spending, which exceeded depreciation and amortization expense.

Total liabilities decreased $4,023,000 ($855,000 increase in 2025). Long-term liabilities decreased $2,422,000 ($1,525,000 decrease in 2025) primarily as a result of principal repayments of $1,895,000 on outstanding bonds. Other liabilities decreased by $1,601,000 ($2,380,000 increase in 2025) due to a decrease in accounts payable of $1,459,000 as a result of the timing of payments at year end.

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

Condensed Statement of Activities	2026	2025	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 92,000**	$ 75,000	$ 17,000	22.7%
Operating grants and contributions	**3,360,000**	3,808,000	(448,000)	(11.8%)
General revenues				
Real property taxes and tax items	**15,761,000**	15,623,000	138,000	0.9%
Sales tax	**2,317,000**	2,108,000	209,000	9.9%
State aid	**24,198,000**	23,005,000	1,193,000	5.2%
Miscellaneous	**1,742,000**	2,095,000	(353,000)	(16.8%)
Total revenues	**47,470,000**	46,714,000	756,000	1.6%
Expenses				
Instruction	**34,448,000**	32,578,000	1,870,000	5.7%
Support services				
General support	**5,220,000**	5,325,000	(105,000)	(2.0%)
Pupil transportation	**3,238,000**	2,917,000	321,000	11.0%
Food service	**1,052,000**	982,000	70,000	7.1%
Interest	**188,000**	251,000	(63,000)	(25.1%)
Total expenses	**44,146,000**	42,053,000	2,093,000	5.0%
Change in net position	**3,324,000**	4,661,000	(1,337,000)	(28.7%)
Net position – beginning	**67,426,000**	62,765,000	4,661,000	7.4%
Net position – ending	**$ 70,750,000**	$ 67,426,000	$ 3,324,000	4.9%

District revenues increased $756,000 ($145,000 or 0.3% decrease in 2025). The District's operating grants and contributions decreased by $448,000 (a decrease of $1,326,000 or 25.8% in 2025) due to a decrease in COVID-related grants that expired during the year. This was offset by State aid, which increased $1,193,000 (increase of $1,038,000 or 4.7% in 2025) as a result of additional general and excess cost provided by the State.

Total expenses increased $2,093,000 ($50,000 or 0.1% increase in 2025). BOCES services increased $704,000 due to an increase in special education students and technology services. Tuition expense increased by $860,000 due to the increase in tuition rates and the number of students. Transportation expenses increased by $306,000, primarily due to higher contractual transportation costs paid to third-party provider as a result of inflationary pressures, as well as additional bus runs required to serve a growing student population

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased $768,000 to $42,076,000 as described below:

- Total governmental fund revenues increased $820,000 or 1.7% ($205,000 or 0.4% decrease in 2025) primarily due to increases in State aid, as discussed above.
- Total governmental fund expenditures decreased by $240,000 or 0.5% ($6,550,000 or 15.8% increase in 2025) primarily due to a decrease in capital outlay expenditures of $2,461,000 resulting from the completion of the District's capital improvement project in the current year. This was offset by an increase in BOCES services, tuition, and transportation services, as discussed above.
- The general fund experienced an increase in fund balance of $1,360,000 during 2026 (a decrease of $1,271,000 from 2025) compared to a $2,631,000 increase in 2025. This was primarily due to increases in expenses of BOCES services, tuition, and transportation services, as discussed above, which was offset by an increase in State aid discussed above.

Capital Assets

	2026	2025
Land	$ 368,000	$ 368,000
Construction in progress	644,000	5,942,000
Land improvements	4,184,000	4,184,000
Buildings and improvements	74,237,000	65,834,000
Furniture and equipment	3,433,000	3,433,000
Vehicles	607,000	536,000
	83,473,000	80,297,000
Accumulated depreciation	(50,810,000)	(48,264,000)
	32,663,000	32,033,000
Right-to-use leased equipment, net	865,000	860,000
	$ 33,528,000	$ 32,893,000

Current year additions of $3,468,000 were offset by depreciation and amortization expense and disposals of $2,833,000.

Long-Term Financing

At June 30, 2026, the District had $6,835,000 in bonds outstanding, with $1,035,000 due within one year ($8,730,000 outstanding at June 30, 2025). Additional information on the District's long-term financing can be found in the Long-Term Liabilities note to the financial statements.

Currently Known Facts, Decisions, or Conditions

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

The District's 2027 budget increased to $44,147,000, an increase of $1,246,000 or 2.9%. The increase is primarily expected to be funded from increases in State aid of $1,402,000 and the real property tax levy of $154,000 or 0.9%, which remains within the tax levy cap. See the District's budget newsletter and property tax report card available on the District's website for additional information.

See the Schedule of Capital Project Expenditures in the supplementary information section of these financial statements for additional details on approved capital projects and spending through June 30, 2026.

Contact for the District's Financial Management

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

Statement of Net Position

June 30, 2026
(With comparative totals as of June 30, 2025)

	2026	2025
Assets		
Cash	**$ 17,907,376**	$ 12,313,889
Investments	**24,443,307**	31,585,434
Accounts and state and federal aid receivable	**3,293,050**	3,409,165
Due from other governments	**861,284**	986,078
Inventory	**28,161**	29,897
Net pension asset	**3,701,448**	1,927,003
Capital assets (Note 5)	**84,783,996**	81,404,556
Accumulated depreciation and amortization	**(51,256,415)**	(48,512,195)
Total assets	**83,762,207**	83,143,827
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	**5,445,418**	5,413,203
Deferred outflows of resources related to OPEB	**102,020**	103,451
Total deferred outflows of resources	**5,547,438**	5,516,654
Liabilities		
Accounts payable	**1,393,407**	2,852,303
Accrued liabilities	**416,256**	557,717
Due to retirement systems	**1,495,333**	1,484,896
Unearned revenue	**63,854**	75,272
Long-term liabilities		
Due within one year:		
Bonds	**1,035,000**	1,895,000
Compensated absences	**402,800**	299,800
Due beyond one year:		
Bonds and related premiums	**6,464,176**	7,609,887
Compensated absences	**1,611,200**	1,199,200
Net pension liability	**414,975**	1,362,889
Total OPEB liability	**1,438,093**	1,420,695
Total liabilities	**14,735,094**	18,757,659
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	**3,765,692**	2,411,244
Deferred inflows of resources related to OPEB	**58,564**	65,864
Total deferred inflows of resources	**3,824,256**	2,477,108
Net Position		
Net investment in capital assets	**26,028,405**	23,387,474
Restricted	**37,502,879**	38,345,837
Unrestricted	**7,219,011**	5,692,403
Total net position	**$ 70,750,295**	$ 67,425,714

See accompanying notes.

Statement of Activities

For the year ended June 30, 2026
(With summarized comparative totals for June 30, 2025)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue: 2026	Net (Expense) Revenue: 2025
Governmental activities					
General support	$ 5,220,145	$ 2,225	$ -	**$ (5,217,920)**	$ (5,324,142)
Instruction	34,447,680	72,394	2,328,153	**(32,047,133)**	(29,699,002)
Pupil transportation	3,237,936	-	-	**(3,237,936)**	(2,917,329)
Interest expense	187,989	-	-	**(187,989)**	(250,864)
Food service	1,051,411	17,752	1,032,257	**(1,402)**	21,364
	$ 44,145,161	$ 92,371	$ 3,360,410	**(40,692,380)**	(38,169,973)
General revenues					
Real property taxes and tax items				**15,760,730**	15,622,652
Sales tax				**2,317,002**	2,107,994
State aid				**24,197,719**	23,004,943
Miscellaneous				**1,741,510**	2,094,860
Total general revenues				**44,016,961**	42,830,449
Change in net position				**3,324,581**	4,660,476
Net position - beginning				**67,425,714**	62,765,238
Net position - ending				**$ 70,750,295**	$ 67,425,714

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2026
(With summarized comparative totals as of June 30, 2025)

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Assets							
Cash	$ 12,900,463	$ 11,659	$ 4,597,846	$ 282,589	$ 114,819	**$ 17,907,376**	$ 12,313,889
Investments	22,800,254	-		-	1,643,053	**24,443,307**	31,585,434
Accounts and state and federal aid receivable	2,239,247	954,874	-	98,929	-	**3,293,050**	3,409,165
Due from other governments	861,284	-	-	-	-	**861,284**	986,078
Due from other funds, net	1,135,747	-	-	-	-	**1,135,747**	1,242,348
Inventory	-	-	-	28,161	-	**28,161**	29,897
Total assets	$ 39,936,995	$ 966,533	$ 4,597,846	$ 409,679	$ 1,757,872	**$ 47,668,925**	$ 49,566,811
Liabilities							
Accounts payable	$ 1,359,521	$ 2,184	$ 566	$ 31,136	$ -	**$ 1,393,407**	$ 2,852,303
Accrued liabilities	288,610	797	-	849	-	**290,256**	411,717
Due to retirement systems	1,495,333	-	-	-	-	**1,495,333**	1,484,896
Due to other funds, net	-	963,552	143,937	28,258	-	**1,135,747**	1,242,348
Unearned revenue	61,011	-	-	2,843	-	**63,854**	75,272
Total liabilities	3,204,475	966,533	144,503	63,086	-	**4,378,597**	6,066,536
Deferred Inflows of Resources							
State aid	1,214,359	-	-	-	-	**1,214,359**	2,192,569
Fund Balances							
Nonspendable	-	-	-	28,161	-	**28,161**	29,897
Restricted	27,590,216	-	4,453,343	-	1,757,872	**33,801,431**	36,418,834
Committed	3,397,525	-	-	-	-	**3,397,525**	-
Assigned	2,764,548	-	-	318,432	-	**3,082,980**	3,148,339
Unassigned	1,765,872	-	-	-	-	**1,765,872**	1,710,636
Total fund balances	35,518,161	-	4,453,343	346,593	1,757,872	**42,075,969**	41,307,706
Total liabilities, deferred inflows of resources, and fund balances	$ 39,936,995	$ 966,533	$ 4,597,846	$ 409,679	$ 1,757,872	**$ 47,668,925**	$ 49,566,811

See accompanying notes.

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

June 30, 2026

Total fund balances - governmental funds		$ 42,075,969
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.		33,527,581
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	3,701,448	
Deferred outflows of resources related to pensions	5,445,418	
Net pension liability	(414,975)	
Deferred inflows of resources related to pensions	(3,765,692)	4,966,199
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Deferred outflows of resources related to OPEB	102,020	
Total OPEB liability	(1,438,093)	
Deferred inflows of resources related to OPEB	(58,564)	(1,394,637)
State aid is not yet considered available for use in the governmental funds but is recognized when earned in the government-wide financial statements.		1,214,359
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(126,000)	
Bonds and related premiums	(7,499,176)	
Compensated absences	(2,014,000)	(9,639,176)
Net position - governmental activities		$ 70,750,295

See accompanying notes.

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

For the year ended June 30, 2026
(With summarized comparative totals for June 30, 2025)

	General	Special Aid	Capital Projects	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Revenues							
Real property taxes	$ 14,049,965	$ -	$ -	$ -	$ -	**$ 14,049,965**	$ 13,635,982
Real property tax items	1,710,765	-	-	-	-	**1,710,765**	1,986,670
Nonproperty taxes	2,317,002	-	-	-	-	**2,317,002**	2,107,994
Charges for services	72,394	-	-	-	-	**72,394**	47,831
Use of money and property	1,349,798	-	-	-	60,280	**1,410,078**	1,822,486
Miscellaneous	354,396	-	-	6,205	-	**360,601**	281,839
State sources	25,175,929	1,095,933	-	130,410	-	**26,402,272**	24,847,017
Federal sources	63,490	1,168,730	-	901,847	-	**2,134,067**	2,902,912
Sales	-	-	-	17,752	-	**17,752**	22,313
Total revenues	45,093,739	2,264,663	-	1,056,214	60,280	**48,474,896**	47,655,044
Expenditures							
General support	4,342,063	-	-	403,581	21,000	**4,766,644**	5,228,593
Instruction	24,666,351	2,081,393	-	-	-	**26,747,744**	24,714,645
Pupil transportation	3,067,878	170,058	-	-	-	**3,237,936**	2,917,329
Employee benefits	6,739,530	177,929	-	149,677	-	**7,067,136**	6,740,486
Debt service							
Principal	1,895,000	-	-	-	-	**1,895,000**	1,875,000
Interest	318,700	-	-	-	-	**318,700**	379,575
Cost of sales	-	-	-	482,342	-	**482,342**	438,669
Capital outlay	-	-	3,191,131	-	-	**3,191,131**	5,651,839
Total expenditures	41,029,522	2,429,380	3,191,131	1,035,600	21,000	**47,706,633**	47,946,136
Excess revenues (expenditures)	4,064,217	(164,717)	(3,191,131)	20,614	39,280	**768,263**	(291,092)
Other financing sources (uses)							
Operating transfers, net	(2,704,361)	164,717	2,539,644	-	-	**-**	-
Net change in fund balances	1,359,856	-	(651,487)	20,614	39,280	**768,263**	(291,092)
Fund balances - beginning	34,158,305	-	5,104,830	325,979	1,718,592	**41,307,706**	41,598,798
Fund balances - ending	$ 35,518,161	$ -	$ 4,453,343	$ 346,593	$ 1,757,872	**$ 42,075,969**	$ 41,307,706

See accompanying notes.

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

For the year ended June 30, 2026

Total net change in fund balances - governmental funds		$ 768,263
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals.		635,220
State aid is recorded to the extent it is considered available in the governmental funds, but on the statement of activities, revenue is recognized when earned.		(978,210)
Pension revenue (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:		
Current year TRS and ERS contributions	1,741,853	
Current year ERS accrued contribution	144,408	
Prior year ERS accrued contribution	(131,065)	
Current year TRS pension revenue (expense)	142,231	
Current year ERS pension revenue (expense)	(497,301)	1,400,126
OPEB revenue (expense) is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		(11,529)
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.		1,895,000
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Interest	20,000	
Amortization of bond premiums	110,711	
Compensated absences	(515,000)	(384,289)
Change in net position - governmental activities		$ 3,324,581

See accompanying notes.

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2026
(With comparative totals as of June 30, 2025)

	2026	2025
Assets		
Cash	**$ 62,506**	$ 41,586
Liabilities		
Sales tax payable	**353**	598
Net Position		
Extraclassroom activity balances	**$ 62,153**	$ 40,988

* * *

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2026
(With comparative totals for June 30, 2025)

	2026	2025
Additions		
Student activity additions	**$ 182,325**	$ 128,852
Deductions		
Student activity deductions	**161,160**	137,880
Change in net position	**21,165**	(9,028)
Net position - beginning	**40,988**	50,016
Net position - ending	**$ 62,153**	$ 40,988

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Joint Venture

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

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

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

During the year ended June 30, 2026, the District was billed $5,155,000 for BOCES administrative and program costs and recognized revenue of $132,000 as a refund from prior year expenditures paid to BOCES. Audited financial statements are available from BOCES' administrative offices.

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 real property and sales 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 real property and sales 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 is a special revenue fund 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 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 is a special revenue fund used to account for resources that are restricted to student scholarships. Third parties make donations and District personnel manage the funds and assist with determination of scholarship recipients.

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

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

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

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 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.

Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 20, 2026, the date the financial statements were available to be issued.

Use of 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, 2026, the tax lien was issued on July 29, 2025 for collection from September 1, 2025 through November 30, 2025. 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, 2025 was approved by a majority of the voters in a general election held on May 20, 2025.

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

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

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

Cash and Investments

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At June 30, 2026, the District's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' trust departments or agents in the District's name.

Inventory

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

Capital Assets

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

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

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

Deferred Inflows of Resources – State Aid

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

Bond Premiums

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

Compensated Absences

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

Pensions

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

Other Postemployment Benefits (OPEB)

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

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 (Note 9).

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 is not included in the determination of net investment in capital assets or the restricted component of net position and therefore is 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	$	28,161
Restricted:		
Capital		20,773,985
Retirement contribution		7,883,971
Employee benefit accrued liability		2,684,788
Debt service		204,453
Workers' compensation		344,298
Insurance		36,313
Unemployment insurance		12,104
Tax certiorari		95,942
Scholarships		1,757,872
Other		7,705
Committed:		
Special education		3,397,525
Assigned:		
Designated for subsequent year		2,100,000
Encumbrances		664,548
Food service		318,432
Unassigned		1,765,872
	$	42,075,969

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

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

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

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2023 and 2025, voters approved capital reserves of $20,000,000 which have been funded $17,786,624, plus interest, as of June 30, 2026. Amounts remaining and available for use in the general fund at June 30, 2026 total $16,320,642.
- *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, 2026, the retirement contribution reserve includes $1,283,187 for TRS and $6,600,784 for ERS.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Workers' compensation* – is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this program.
- *Insurance* – is used to pay liability, casualty, and other types of losses except losses incurred for which insurance may be purchased. This amount is funded through budgetary appropriations and may not exceed 5% of the budget.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Tax certiorari* – is used to pay judgments and claims resulting from certiorari proceedings. Funds not used by July 1 of the fourth fiscal year following their deposit must be returned to unassigned fund balance.

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

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

Interfund Balances

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

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

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

2. Stewardship and Compliance

The District's unassigned fund balance in the general fund exceeds 4% of the 2027 expenditure budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

3. Cash and Investments

At June 30, 2026, the District's investments include U.S. Treasury Securities with original maturities greater than 90 days and investments held in an external investment pool comprised of U.S. Treasury Securities, repurchase agreements, and deposits held by custodian banks. Investments are recognized at fair value using quoted prices for similar assets and liabilities in active markets. The external investment pool issues its own financial statements which are included in its annual report available at www.newyorkclass.org.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the District's external investment pool limits the maturity date of its investments. The dollar weighted average days to maturity (WAM) at June 30, 2026 is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life of the pool is 77 days.

4. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
General	$ 1,135,747	$ -	$ 16,893	$ 2,721,254
Special aid	-	963,552	164,717	-
Capital projects	-	143,937	2,556,537	16,893
Food service	-	28,258	-	-
	$ 1,135,747	$ 1,135,747	$ 2,738,147	$ 2,738,147

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

5. Capital Assets

	July 1, 2025	Increases	Retirements/ Reclassifications	June 30, 2026
Non-depreciable and non-amortizable capital assets:				
Land	$ 367,638	$ -	$ -	$ 367,638
Construction in progress	5,942,196	3,104,461	(8,403,126)	643,531
Total non-depreciable and non-amortizable assets	6,309,834	3,104,461	(8,403,126)	1,011,169
Depreciable capital assets:				
Land improvements	4,184,083	-	-	4,184,083
Buildings and improvements	65,833,857	-	8,403,126	74,236,983
Furniture and equipment	3,433,580	12,174	(12,258)	3,433,496
Vehicles	535,885	124,182	(53,515)	606,552
Total depreciable assets	73,987,405	136,356	8,337,353	82,461,114
Accumulated depreciation:				
Land improvements	(2,264,008)	(169,047)	-	(2,433,055)
Buildings and improvements	(43,846,702)	(2,213,908)	-	(46,060,610)
Furniture and equipment	(1,889,734)	(168,915)	12,258	(2,046,391)
Vehicles	(264,010)	(32,429)	26,758	(269,681)
Total accumulated depreciation	(48,264,454)	(2,584,299)	39,016	(50,809,737)
Total depreciable assets, net	25,722,951	(2,447,943)	8,376,369	31,651,377
Right-to-use lease assets:				
Equipment	1,107,317	227,089	(22,693)	1,311,713
Less accumulated amortization	(247,741)	(221,443)	22,506	(446,678)
Total right-to-use assets, net	859,576	5,646	(187)	865,035
	$ 32,892,361	$ 662,164	$ (26,944)	$ 33,527,581

Depreciation and amortization expense has been allocated to the following functions: general support $201,476, instruction $2,588,455, and food service $15,811.

As of June 30, 2026, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation and amortization	$ 33,527,581
Bonds and related premiums	(7,499,176)
	$ 26,028,405

6. Long-Term Liabilities

	July 1, 2025	Increases	Decreases	June 30, 2026	Amount Due in One Year
Bonds	$ 8,729,912	$ -	$ 1,895,000	$ 6,834,912	$ 1,035,000
Bond premiums	774,975	-	110,711	664,264	-
Compensated absences	1,499,000	515,000	-	2,014,000	402,800
	$ 11,003,887	$ 515,000	$ 2,005,711	$ 9,513,176	$ 1,437,800

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds - 2017	July 2031	3.00-4.00%	$ 6,834,912

Debt Service Requirements

Years ending June 30,	Principal	Interest
2027	$ 1,035,000	$ 253,300
2028	1,075,000	211,100
2029	1,120,000	167,200
2030	1,165,000	121,500
2031	1,205,000	74,100
2032	1,234,912	25,000
	$ 6,834,912	$ 852,200

7. Pension Plans

Plan Descriptions

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

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

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

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.59% for 2026. 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 2026, these rates ranged from 12.8% - 19.6%.

The amount outstanding and payable to TRS for the year ended June 30, 2026 was $1,217,900. A liability to ERS of $144,408 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2026.

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

At June 30, 2026, the District reported an asset of $3,701,448 for its proportionate share of the TRS net pension position and a liability of $414,975 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024, with update procedures applied to roll forward the total pension liability to June 30, 2025. 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, 2025, the District's proportion was 0.062513%, a decrease of 0.002073 from its proportion measured as of June 30, 2024.

The ERS total pension liability at the March 31, 2026 measurement date was determined by an actuarial valuation as of April 1, 2025, with update procedures applied to roll forward the total pension liability to March 31, 2026. 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, 2026, the District's proportion was 0.0073554%, a decrease of 0.0005935 from its proportion measured as of March 31, 2025.

For the year ended June 30, 2026, the District recognized pension expense of $355,070 on the government-wide financial statements (TRS revenue of $142,231 and ERS expense of $497,301). At June 30, 2026, 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	$ 1,940,384	$ -	$ 237,473	$ -
Changes of assumptions	1,465,288	(39,908)	71,233	-
Net difference between projected and actual earnings on pension plan investments	-	(2,890,822)	-	(744,074)
Changes in proportion and differences between contributions and proportionate share of contributions	184,469	(1,815)	184,263	(89,073)
District contributions subsequent to the measurement date	1,217,900	-	144,408	-
	$ 4,808,041	$ (2,932,545)	$ 637,377	$ (833,147)

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
2027	$ 1,928,183	$ 198,252
2028	(748,567)	(244,765)
2029	(799,525)	(137,196)
2030	(140,120)	(156,469)
2031	344,387	-
Thereafter	73,238	-
	$ 657,596	$ (340,178)

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2024 valuation, with update procedures used to roll forward the total pension liability to June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.5%
Salary increases – Based on TRS member experience, dependent on service, ranging from 2.04%-5.80%
Projected Cost of Living Adjustments (COLA) – 1.4% 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, 2025 valuation, with update procedures used to roll forward the total pension liability to March 31, 2026, were based on the results of an actuarial experience study for the period April 1, 2020 to March 31, 2025. These assumptions are:

Inflation – 2.9%
Salary increases – 5.2%
COLA – 1.5% annually
Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2021
Discount rate – 5.9%

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

Investment Asset Allocation

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

	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%	6.7%	25%	3.3%
Global and international equities	19%	7.0%-7.4%	14%	5.9%
Private equities	9%	9.8%	15%	7.0%
Real estate equities	11%	6.5%	12%	5.2%
Domestic fixed income securities	16%	2.6%	22%	1.8%
Global and high-yield bonds	3%	2.4%-4.7%	-	-
Cash and cash equivalents	1%	0.6%	1%	0.3%
Other	8%	3.8%-6.1%	11%	5.1%-5.5%
	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)	$ (7,112,379)	$ 3,701,448	$ 12,800,721
District's proportionate share of the ERS net pension asset (liability)	$ (2,834,168)	$ (414,975)	$ 1,607,577

8. OPEB

Plan Description

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

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

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

Total OPEB Liability

The District's total OPEB liability of $1,438,093 was measured as of June 30, 2026 and was determined by an actuarial valuation as of June 30, 2025, with update to procedures to roll forward the total OPEB liability to June 30, 2026.

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

Healthcare cost trend rates – based on National Health Expenditure Projections 2017-2033 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2026 version 1b for long-term rates, initially 6.10%, with an ultimate rate of 3.70% after 2075
Salary increases – 3.30%
Mortality – Pub-2016 public retirement plans mortality tables, without separate contingent survivor mortality; fully generational using Mortality Improvement Scale MP-2021 for retirees and surviving spouses
Discount rate – 4.41% based on the Fidelity Municipal General Obligation AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.30%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2025	$ (1,420,695)
Changes for the year:	
Service cost	(48,276)
Interest	(59,898)
Changes of benefit terms	-
Differences between expected and actual experience	(14,176)
Changes of assumptions or other inputs	403
Benefit payments	104,549
Net changes	(17,398)
Balance at June 30, 2026	$ (1,438,093)

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

	1.0% Decrease (3.41%)	Discount Rate (4.41%)	1.0% Increase (5.41%)
Total OPEB liability	$ (1,542,274)	$ (1,438,093)	$ (1,341,402)

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 (5.10% to 2.70%)	Healthcare Cost Trend Rate (6.10% to 3.70%)	1.0% Increase (7.10% to 4.70%)
Total OPEB liability	$ (1,310,519)	$ (1,438,093)	$ (1,582,768)

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

For the year ended June 30, 2026, the District recognized OPEB expense of $116,078. At June 30, 2026, 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	$ 102,020	$ (17,977)
Changes of assumptions or other inputs	-	(40,587)
	$ 102,020	$ (58,564)

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

Years ending June 30,	
2027	$ 7,904
2028	7,904
2029	7,904
2030	7,904
2031	7,904
Thereafter	3,936
	$ 43,456

9. Risk Management

General Liability

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

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 17 participating members as of June 30, 2025 (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, 2025, 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, 2025 (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, 2025 (the most recent information available), which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York 14224.

10. Commitments and Contingencies

Grants

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

Litigation

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

Construction Commitments

The District has entered into contracts with various construction companies for its outstanding capital projects. District voters approved spending up to $28,000,000 for the beautification project and the building improvement project and $9,047,000 has been spent through June 30, 2026.

Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund

For the year ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over/(Under)	Actual (Budgetary Basis)		Variance with Actual Over/(Under)
	Original	Final	Original Budget		Encumbrances	Final Budget
Revenues						
Local sources						
Real property taxes	$ 14,045,425	$ 14,045,425	$ -	**$ 14,049,965**		$ 4,540
Real property tax items	1,711,163	1,711,163	-	**1,710,765**		(398)
Nonproperty taxes	1,900,000	1,900,000	-	**2,317,002**		417,002
Charges for services	20,000	20,000	-	**72,394**		52,394
Use of money and property	111,000	111,000	-	**1,349,798**		1,238,798 [1]
Miscellaneous	160,000	160,676	676	**354,396**		193,720
State sources	22,430,749	22,430,749	-	**25,175,929**		2,745,180 [2]
Federal sources	22,750	22,750	-	**63,490**		40,740
Total revenues	40,401,087	40,401,763	676	**45,093,739**		4,691,976
Expenditures						
General support						
Board of education	40,855	40,855	-	**16,750**	20	(24,085)
Central administration	313,964	335,139	21,175	**324,006**	-	(11,133)
Finance	556,254	470,079	(86,175)	**439,166**	-	(30,913)
Staff	228,830	166,834	(61,996)	**128,827**	-	(38,007)
Central services	3,547,635	3,409,520	(138,115)	**3,106,125**	218,943	(84,452)
Special items	398,175	373,175	(25,000)	**327,189**	-	(45,986)
Instruction						
Instruction, administration, and improvement	1,967,920	1,759,063	(208,857)	**1,672,928**	987	(85,148)
Teaching - regular school	11,729,846	11,625,986	(103,860)	**11,093,234**	286,747	(246,005)
Programs for children with handicapping conditions	7,677,237	9,288,066	1,610,829 [3]	**9,189,753**	299	(98,014)
Occupational education	370,000	236,364	(133,636)	**236,364**	-	-
Teaching - special schools	95,800	95,800	-	**5,502**	-	(90,298)
Instructional media	1,108,844	1,156,575	47,731	**887,446**	157,552	(111,577)
Pupil services	1,623,506	1,766,642	143,136	**1,581,124**	-	(185,518)
Pupil transportation	3,374,790	3,085,036	(289,754)	**3,067,878**	-	(17,158)
Community service	17,050	17,050	-	**-**	-	(17,050)
Employee benefits	7,758,938	6,950,715	(808,223)	**6,739,530**	-	(211,185)
Debt service						
Principal	1,895,000	1,895,000	-	**1,895,000**	-	-
Interest	328,700	328,700	-	**318,700**	-	(10,000)
Total expenditures	43,033,344	43,000,599	(32,745)	**41,029,522**	664,548	(1,306,529)
Excess revenues (expenditures)	(2,632,257)	(2,598,836)	33,421	**4,064,217**	(664,548)	5,998,505
Other financing sources (uses)						
Operating transfers in	-	-	-	**16,893**		16,893
Operating transfers out	(220,000)	(2,721,254)	(2,501,254) [4]	**(2,721,254)**		-
Appropriated fund balance, reserves, and carryover encumbrances	2,852,257	5,320,090	2,467,833	**-**		(5,320,090) [5]
Total other financing sources (uses)	2,632,257	2,598,836	(33,421)	**(2,704,361)**		(5,320,090)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ -	**$ 1,359,856**	$ (664,548)	$ 678,415

[1] Actual revenue exceeded the final budget due to higher-than-anticipated interest earnings. While the budget assumed significant interest rate reductions, rates declined only modestly during the year, resulting in higher investment income.

[2] Actual State sources exceeded the final budget primarily due to higher-than-anticipated special education expenditures, which generated additional High-Cost Excess Cost Aid, and increased student transportation costs, which resulted in higher transportation aid.

[3] Final budgeted tuition expenditures exceeded the original budget primarily due to higher-than-anticipated tuition costs. The increase was driven by both rising tuition rates and a greater number of students requiring out-of-district tuition placements than originally projected.

[4] Final budgeted operating transfers out exceed the original budget due to an additional transfer to the capital project fund for ongoing capital improvement projects.

[5] This line is used to reflect the District's anticipated fund balance usage. Actual usage is shown as the District's change in fund balance.

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

As of the measurement date of June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension position	0.062513%	0.064586%	0.066088%	0.067371%	0.067296%	0.067897%	0.070062%	0.070896%	0.072079%	0.072460%
District's proportionate share of the net pension asset (liability)	$ 3,701,448	$ 1,927,003	$ (755,776)	$ (1,292,777)	$ 11,661,838	$ (1,876,186)	$ 1,820,206	$ 1,281,993	$ 547,868	$ (776,078)
District's covered payroll	$ 12,274,491	$ 12,331,814	$ 12,205,928	$ 11,934,959	$ 10,714,113	$ 14,017,472	$ 10,656,544	$ 13,659,867	$ 12,650,546	$ 14,362,843
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	30.16%	15.63%	(6.19%)	(10.83%)	108.85%	(13.38%)	17.08%	9.39%	4.33%	(5.40%)
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%

The following is a summary of changes of assumptions:

Inflation	2.5%	2.4%	2.4%	2.4%	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%
Salary increases	2.04%-5.80%	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%
Cost of living adjustments	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%
Investment rate of return	6.95%	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%
Discount rate	6.95%	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 1,217,900	$ 1,240,951	$ 1,203,585	$ 1,255,990	$ 1,169,626	$ 1,021,055	$ 1,241,948	$ 1,131,725	$ 1,338,667	$ 1,482,644
Contribution in relation to the contractually required contribution	(1,217,900)	(1,240,951)	(1,203,585)	(1,255,990)	(1,169,626)	(1,021,055)	(1,241,948)	(1,131,725)	(1,338,667)	(1,482,644)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,699,687	$ 12,274,491	$ 12,331,814	$ 12,205,928	$ 11,934,959	$ 10,714,113	$ 14,017,472	$ 10,656,544	$ 13,659,867	$ 12,650,546
Contributions as a percentage of covered payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

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

As of the measurement date of March 31,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension position	0.0073554%	0.0079489%	0.0083572%	0.0085477%	0.0083091%	0.0087093%	0.0095140%	0.0103925%	0.0103839%	0.0107509%
District's proportionate share of the net pension asset (liability)	$ (414,975)	$ (1,362,889)	$ (1,230,512)	$ (1,832,966)	$ 679,234	$ (8,672)	$ (2,519,354)	$ (736,342)	$ (335,134)	$ (1,010,174)
District's covered payroll	$ 3,101,838	$ 2,965,156	$ 2,958,164	$ 2,914,027	$ 2,896,000	$ 3,212,000	$ 3,156,000	$ 3,173,000	$ 3,099,000	$ 2,956,000
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(13.38%)	(45.96%)	(41.60%)	(62.90%)	23.45%	(0.27%)	(79.83%)	(23.21%)	(10.81%)	(34.17%)
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
The following is a summary of changes of assumptions:										
Inflation	2.9%	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%
Salary increases	5.2%	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 523,953	$ 460,035	$ 391,319	$ 338,439	$ 472,000	$ 475,000	$ 465,000	$ 470,000	$ 452,000	$ 436,000
Contribution in relation to the contractually required contribution	(523,953)	(460,035)	(391,319)	(338,439)	(472,000)	(475,000)	(465,000)	(470,000)	(452,000)	(436,000)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,101,838	$ 2,965,156	$ 2,958,164	$ 2,914,027	$ 2,896,000	$ 3,212,000	$ 3,156,000	$ 3,173,000	$ 3,099,000	$ 2,956,000
Contributions as a percentage of covered payroll	16.89%	15.51%	13.23%	11.61%	16.30%	14.79%	14.73%	14.81%	14.59%	14.75%

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

For the years ended June 30,	2026	2025	2024
Total OPEB liability - beginning	$ (1,420,695)	$ (1,467,612)	$ (1,340,533)
Changes for the year:			
Service cost	(48,276)	(38,993)	(36,810)
Interest	(59,898)	(56,673)	(49,236)
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(14,176)	22,527	(131,039)
Changes of assumptions or other inputs	403	37,394	15,193
Benefit payments	104,549	82,662	74,813
Net change in total OPEB liability	(17,398)	46,917	(127,079)
Total OPEB liability - ending	$ (1,438,093)	$ (1,420,695)	$ (1,467,612)
Covered-employee payroll	$ 15,992,399	$ 15,463,546	$ 14,952,181
Total OPEB liability as a percentage of covered-employee payroll	9.0%	9.2%	9.8%

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

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

The following is a summary of changes of assumptions:

Healthcare cost trend rates	6.10%-3.70%	5.30%-3.71%	5.10%-3.86%
Salary increases	3.30%	3.30%	3.42%
Discount rate	4.41%	4.39%	3.98%
Inflation rate	2.30%	2.30%	2.42%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021

Data prior to 2024 is unavailable.

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

For the year ended June 30, 2026

Original expenditure budget	$ 42,901,087
Encumbrances carried over from prior year	352,257
Budget amendments:	
Donations	676
Use of reserves	2,467,833
Revised expenditure budget	$ 45,721,853

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Unrestricted fund balance	
Committed	$ 3,397,525
Assigned	2,764,548
Unassigned	1,765,872
	7,927,945
Encumbrances included in assigned fund balance	(664,548)
Appropriated fund balance used for tax levy	(2,100,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 5,163,397

§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2027 expenditure budget (unaudited)	$ 44,146,792
4% of budget	1,765,872
Actual percentage of 2027 expenditure budget	11.7%

CHEEKTOWAGA-SLOAN UNION FREE SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2026

Project Title	Original Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
Tile Replacement - WW 2025-2026	$ 100,000	$ -	$ 86,671	$ 86,671	$ 13,329
Beautification Project	8,500,000	5,876,696	2,526,429	8,403,125	96,875
Building Improvement Project	19,500,000	65,500	578,031	643,531	18,856,469
	$ 28,100,000	$ 5,942,196	$ 3,191,131	$ 9,133,327	$ 18,966,673

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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

The Board of Education
Cheektowaga-Sloan Union Free School District

We have audited, in accordance with the 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 *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the remaining fund information of Cheektowaga-Sloan Union Free School District (the District) as of and for the year ended June 30, 2026, 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 20, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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.

Lyman & McCormick, LLP

October 20, 2026