

**WESTERN SUFFOLK BOARD OF  
COOPERATIVE EDUCATION SERVICES**

**Financial Statements  
as of and for the Year Ended  
June 30, 2024  
Together with  
Independent Auditor's Report**

# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

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### REQUIRED REPORT

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## **INDEPENDENT AUDITOR'S REPORT**

January 27, 2025

To the Board of Education of  
Western Suffolk BOCES:

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Suffolk Board of Cooperative Education Services (BOCES) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the BOCES, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BOCES, 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BOCES' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BOCES' 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 BOCES' 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.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of contributions - pension plans, schedule of proportionate share of the net pension liability (asset), and schedule of changes in total OPEB liability and related ratios, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information required by the New York State Education Department as listed within the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2025, on our consideration of the BOCES' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BOCES' 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 BOCES' internal control over financial reporting and compliance.

Bonadio & Co., LLP

# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2024

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The following is a discussion and analysis of the Western Suffolk BOCES (the BOCES) financial performance for the fiscal year ended June 30, 2024. The section is a summary of the BOCES' financial activities based on currently known facts, decisions, or conditions. It is also based on both the Government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the BOCES' financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

For the year ended June 30, 2024 the total net position was a deficit of \$370,012,470, a decrease in the deficit of \$9,693,144 from the prior year. This is primarily a result of decreases in assets due to changes made to comply with the GASB 87 standard, decreases in the TRS and ERS liability, and changes in the actuarial information in pension related ERS, TRS, and Other Postemployment benefit liabilities.

At the present time, the BOCES continues to show strong financial stability. In an effort to protect taxpayer resources from fiscal mismanagement, fraud or abuse, the BOCES continues to review and strengthen their internal controls posture. To this end, the Business Office staff meets regularly with upper management and its Board of Education to ensure integrity in all activities.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the BOCES:

- The first two statements are *Government-wide* financial statements that provide both *short-term* and *long-term* information about the BOCES *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the BOCES, reporting the BOCES operations in more detail than the Government-wide statements. The fund financial statements concentrate on the BOCES most significant funds.
- The *governmental funds* statements tell how basic services, such as regular and special education, were financed in the short-term, as well as what remains for future spending.
- The *Fiduciary funds* statements provide information about the financial relationships in which the BOCES acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the BOCES budget for the year.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A - 1 shows how the various sections of this annual report are arranged and related to one another.

**Figure A – 1**

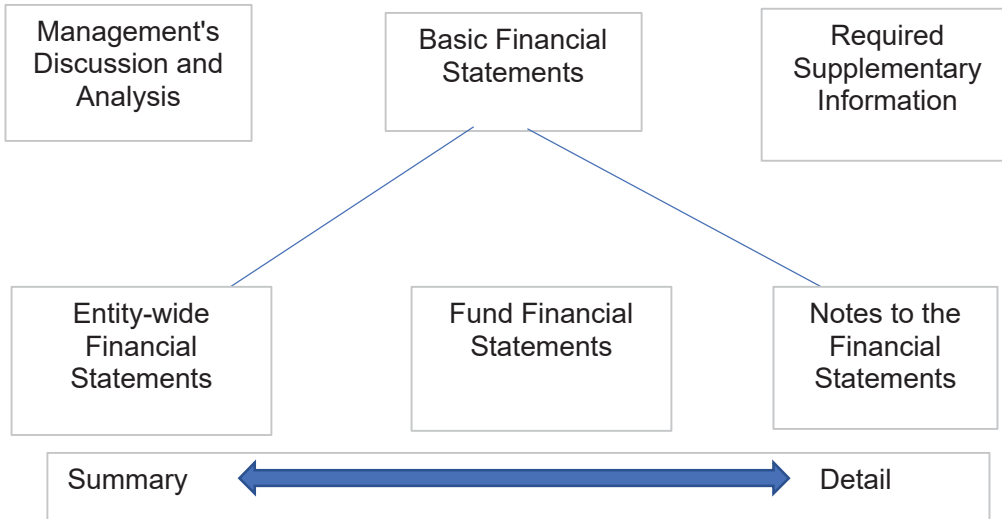


Figure A-2 summarizes the major features of the BOCES' financial statements, including a portion of the BOCES' activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.



## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A – 2 Major Features of the BOCES-Wide and Fund Financial Statements

	<b>Fund Financial Statements</b>		
	<b>BOCES-Wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire BOCES (except fiduciary funds)	The day-to-day operating activities of the BOCES, such as instruction and special education	Instances in which the BOCES administers resources on behalf of someone else, such as scholarship programs and student activities monies
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of asset/deferred inflows-outflows of resources/liability information</b>	All assets, deferred inflows/outflows of resources, and liabilities, both financial and capital, short-term and long-term debt	Assets, deferred inflows/outflows of deferred resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of inflow/outflow information</b>	All revenue and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

### BOCES-Wide Statements

The BOCES-wide statements report information about the BOCES as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the BOCES assets/deferred outflows of resources and liabilities/deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **BOCES-Wide Statements (Continued)**

The two BOCES-wide statements report the BOCES net position and how they have changed. Net position – the difference between the BOCES assets and liabilities – are one way to measure the BOCES financial health or position.

- Over time, increases or decreases in the BOCES net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the BOCES overall health, you need to consider additional nonfinancial factors, such as changes in the condition of school buildings and other facilities.

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

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements

The fund financial statements provide more detailed information about the BOCES funds – not the BOCES as a whole. Funds are accounting devices the BOCES uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The BOCES has two kinds of funds:

- *Governmental Funds:* Most of the BOCES basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the BOCES' programs. Because this information does not encompass the additional long-term focus of the BOCES-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental funds statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balance.
- *Fiduciary Funds:* The BOCES is the trustee, or fiduciary, for assets that belong to others. The BOCES is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The BOCES excludes these activities from the BOCES-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

## FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE

**Figure A – 3 Condensed Statement of Net position (in thousands of dollars)**

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Current and other assets	\$ 150,707	\$ 134,763	11.8%
Lease receivable	6,765	6,696	1.0%
Capital assets	<u>96,442</u>	<u>117,845</u>	-18.2%
Total assets	253,914	259,304	-2.1%
Deferred outflows of resources	<u>99,206</u>	<u>88,962</u>	11.5%
Total assets and deferred outflows of resources	<u>353,120</u>	<u>348,266</u>	1.4%
Current liabilities	120,231	96,550	24.5%
Long-term liabilities	<u>458,426</u>	<u>447,444</u>	2.5%
Total liabilities	578,657	543,994	6.4%
Deferred inflows of resources	<u>144,476</u>	<u>164,591</u>	-12.2%
Total liabilities and deferred inflows of resources	<u>723,133</u>	<u>708,585</u>	2.1%
Net position:			
Investment in capital assets	82,666	86,132	-4.0%
Restricted	38,799	37,196	4.3%
Unrestricted	<u>(491,478)</u>	<u>(483,647)</u>	1.6%
Total net position	<u>\$ (370,012)</u>	<u>\$ (360,319)</u>	2.7%

### Net Position

Current and other assets increased by approximately \$15.9 million mainly due to an increase in restricted cash and due from the school districts.

Lease receivables increased due to the amount recorded in non-current assets for the long-term portion of leases receivable related to GASB 87, *Leases*.

Current liabilities increased by approximately \$23.7 million primarily due to an increase in short term liabilities for other post-employment benefits.

The net pension liability decreased by approximately \$7.0 million, along with the deferred inflow of resources decreasing approximately \$20.1 million due to the changes in the actuarial valuation related to pensions and other postemployment benefits.

## FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE (Continued)

### Net Position (Continued)

Long-term liabilities increased by 2.5%, mainly due to an increase in other post-employment benefits of approximately \$48.5 million which was offset by decreases in net pension liability of \$7.0 million.

The net position deficit of the BOCES has decreased by approximately \$9.7 million mainly due to and changes in the actuarial valuation for recording of other post-employment benefits and pension liabilities.

**Figure A-4 Changes in Net position from Operating Results (in thousands of dollars)**

Revenue	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Program revenue:			
Charges for services	\$ 242,660	\$ 218,775	10.9%
Operating grants and contributions	9,102	8,799	3.4%
General revenue:			
Use of money and property	2,119	1,353	56.6%
Sale of property and compensation for loss	108	88	22.8%
Miscellaneous	1,171	1,685	-30.5%
Rental income	49	48	1.0%
Total revenue	<u>255,208</u>	<u>230,748</u>	10.6%
Expenses			
Administration	23,204	16,145	43.7%
Occupational instruction	37,568	35,262	6.5%
Instruction for special education	120,539	116,134	3.8%
Itinerant services	244	202	20.9%
General instruction	10,724	10,629	0.9%
Instructional support	44,121	36,613	20.5%
Other services	16,763	12,793	31.0%
Internal services	2,693	2,701	-0.3%
School lunch program	1,715	1,578	8.7%
Debt service - Interest	39	450	-91.2%
Return of surplus	7,291	2,225	227.7%
Total expenses	<u>264,901</u>	<u>234,732</u>	12.9%
Change in net position	<u>\$ (9,693)</u>	<u>\$ (3,984)</u>	143.3%

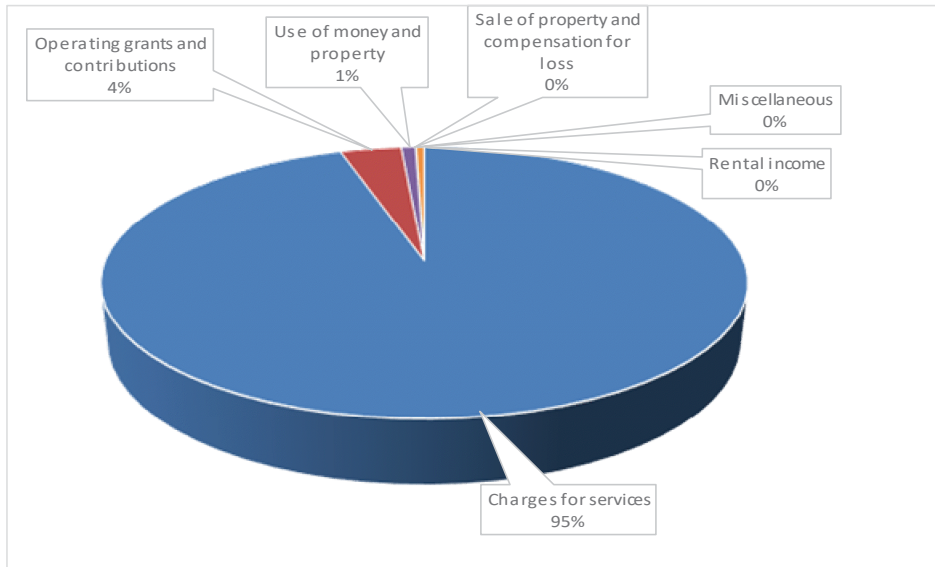
### Changes in Net position

The BOCES 2024 revenue was approximately \$255.2 million compared to the previous year of \$230.7 million (see Figure A-4). This increase in revenue was primarily driven by an increase in charges for services.

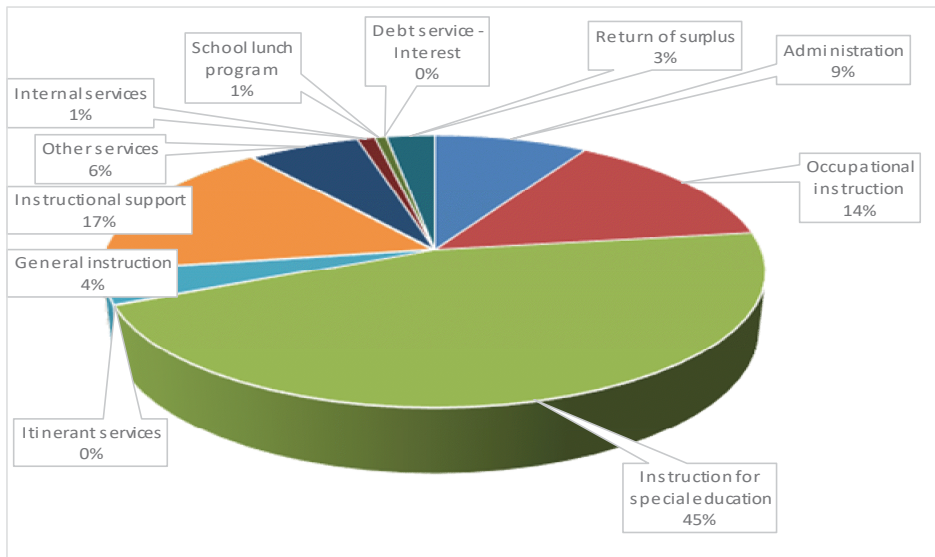
The total cost of all programs and services totaled approximately \$264.9 million for 2024, compared to \$234.7 million in the previous year. These expenses are predominantly for the education, supervision, and transportation of students (see Figure A-6). The increase in expense is primarily due to changes in the actuarial valuations for both pensions and other postemployment benefits.

## FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE (Continued)

### Figure A-5 Revenue Sources for 2024



### Figure A-6 Sources of Expense for 2024



## FINANCIAL ANALYSIS OF THE BOCES' FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for the Government-wide financial statements. The BOCES governmental funds are presented on the current financial resource's measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

The following is a brief description of the activity in the governmental funds for 2024 and 2023:

**General Fund:** This past year health and dental insurance expenses increased \$1,130,238 (7%) to \$17.298 million, and post-retirement health benefits increased \$741,149 (9%) to \$7.89 million. Health insurance costs continue to represent one of the most significant expenses in the fund. Health insurance expense of \$25.2 million represents 11% of overall General Fund expenses. As health insurance expenses continue to rise, new employees continue to make up a large percentage of covered members. Although Western Suffolk BOCES has tried to mitigate the impact of increases in health insurance premiums, a few collective bargaining rates have increased in order to remain competitive in retaining and meeting staffing needs.

**Special Aid Fund:** The Special Aid Fund does not generate a significant fund balance in most years. All revenue received are expended for the grant programs, the summer handicapped program and the Employment Preparation Education (EPE) program. The amounts received and expended for specific programs are accounted for separately. These programs have accumulated a fund balance of approximately \$538 thousand.

**School Lunch Fund:** The school lunch fund ended 2023-2024 with an increase in their fund balance of \$245,234. This resulted in a fund balance of \$1,382,784 on hand as of June 30, 2024.

**Capital Projects Fund:** Capital projects spending totaled \$9,617,214 in 2023-2024. This left a fund balance of approximately \$14,758,273 on hand as of June 30, 2024.

### General Fund Budgetary Highlights

As additional requests for service are accepted, spending adjustments are required to meet these changing needs. The original approved budget as well as estimated revenues are adjusted to more accurately reflect actual service levels. Once fixed costs are covered, additional services typically drive a small surplus. This surplus is then refunded to the participants the following fiscal year. However, there was no surplus generated in the current year.

### Capital Assets

As of June 30, 2024, the BOCES had \$96,442,320 invested in a broad range of capital assets including land, buildings, computers, and other educational equipment.

### Capital Assets (Net of Depreciation, in Thousands of Dollars)

Category	Fiscal Year	Fiscal Year	Percent
	2024	2023	Change
Land	\$ 818	\$ 818	0.0%
Buildings and improvements	72,395	72,177	0.3%
Equipment and furniture	21,805	24,987	-12.7%
Leases and SBITAs	<u>1,425</u>	<u>19,863</u>	-92.8%
Total	<u>\$ 96,442</u>	<u>\$ 117,845</u>	-18.2%

## FINANCIAL ANALYSIS OF THE BOCES' FUNDS (Continued)

### Long-Term Liabilities

As of June 30, 2024, the BOCES had approximately \$476,746,091 million in long-term liabilities outstanding. More detailed information about the BOCES' long-term liabilities is included in the notes to the financial statements.

<u>Category</u>	<u>(In Thousands)</u>	
	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>
Installment Purchase Debt	\$ 12,176	\$ 11,454
Other Postemployment Benefits	427,551	379,025
Compensated Absences	13,133	13,474
Workers' Compensation Claims Payable	6,324	8,020
Net Pension Liability	15,962	22,982
SBITAs	1,390	277
Leases	<u>211</u>	<u>19,917</u>
Total	<u>\$ 476,746</u>	<u>\$ 455,148</u>

### FACTORS BEARING ON THE BOCES' FUTURE

The general fund budget for the 2023-2024 school year was approved for the amount of \$233,245,175. This is an increase of \$10,875,228 over the previous year's approved initial budget.

The BOCES remains aware of the fiscal constraints on local component school districts. In that regard the tuition rates charged to the districts have been limited to approximately 2.5 - 3.4%. Collective bargaining agreements have been meticulously negotiated with all groups in an effort to ease the fiscal constraints of rising healthcare costs. As of the date of this report there is one (1) collective bargaining agreement that is pending review with legal counsel. In 2024, pension costs continued to increase in TRS and ERS. As noted above, health insurance expenses are expected to increase in calendar year 2025.

Subsequent to June 30, 2024, the BOCES entered into new long-term debt in the amount of \$2,557,919 for technology.

### CONTACTING THE BOCES' FINANCIAL MANAGEMENT

This financial report is designed to provide the BOCES' component districts, customers, investors, and creditors with a general overview of the BOCES' finances and to demonstrate the BOCES' accountability for the money it received. If you have any questions about this report or need additional financial information, contact:

Warren E. Taylor  
Chief Financial Officer  
Western Suffolk BOCES  
507 Deer Park Road  
Huntington Station, NY 11746



**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

CURRENT ASSETS:

Cash - unrestricted	\$ 23,179,431
Cash - restricted	45,095,767
Due from school districts	47,726,350
Due from component districts - return of surplus	436,092
Due from other governments	3,714,714
State and federal aid receivable	22,030,962
Due from fiduciary fund	2,052,400
Accounts receivable	534,285
Lease receivable, current	4,930,368
Other receivables	914,532
Restricted assets - escrow cash	5,264
Inventory	<u>86,552</u>
Total current assets	<u>150,706,717</u>

NONCURRENT ASSETS:

Lease receivable, long-term	6,764,899
Capital assets, net of depreciation and amortization	<u>96,442,320</u>
Total non-current assets	<u>103,207,219</u>

DEFERRED OUTFLOWS OF RESOURCES

ERS - pension related	12,501,206
TRS - pension related	20,295,756
Other postemployment benefits	<u>66,409,233</u>
Total deferred outflows of resources	<u>99,206,195</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 353,120,131

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

CURRENT LIABILITIES:

Accounts payable	13,548,350
Accrued liabilities	5,818,090
Accrued interest	38,596
State aid due to school districts	20,475,494
Due to Teachers' Retirement System	5,493,946
Due to Employees' Retirement System	1,515,777
Due to component districts - return of surplus	43,637,863
Due to other governments	603
Current portion of long term debt	18,319,906
Unearned revenue	<u>11,382,028</u>
Total current liabilities	<u>120,230,653</u>

LONG-TERM LIABILITIES:

Compensated absences	13,132,961
Workers' compensation	6,323,818
Net pension liability - ERS	13,071,190
Net pension liability - TRS	2,891,006
Installment purchase debt, net of current portion	7,115,697
Leases payable, net of current portion	787,169
SBITA payable, net of current portion	143,062
Total other postemployment benefits, net of current portion	<u>414,961,282</u>
Total long-term liabilities	<u>458,426,185</u>

DEFERRED INFLOWS OF RESOURCES

Leases	11,410,404
ERS - pension related	6,959,043
TRS - pension related	1,544,968
Other postemployment benefits	<u>124,561,348</u>
Total deferred inflows of resources	<u>144,475,763</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES 723,132,601

**NET POSITION**

Net Investment in capital assets	82,665,905
Restricted	38,799,416
Unrestricted	<u>(491,477,791)</u>

TOTAL NET POSITION \$ (370,012,470)

The accompanying notes are an integral part of these statements.

# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS:				
Administration	\$ 23,204,252	\$ 21,987,105	\$ -	\$ (1,217,147)
Occupational instruction	37,567,738	35,597,174	2,518,119	547,555
Instruction for special education	120,538,941	114,216,237	3,464,641	(2,858,063)
Itinerant services	244,142	231,336	-	(12,806)
General instruction	10,724,484	10,161,946	-	(562,538)
Instructional support	44,121,432	41,807,103	2,454,331	140,002
Other services	16,762,813	15,883,543	-	(879,270)
Internal services	2,692,634	2,551,396	-	(141,238)
School lunch program	1,714,724	224,301	665,295	(825,128)
Debt service - Interest	39,440	-	-	(39,440)
Return of surplus	7,290,672	-	-	(7,290,672)
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<b>\$ 264,901,272</b>	<b>\$ 242,660,140</b>	<b>\$ 9,102,386</b>	<b>(13,138,746)</b>
GENERAL REVENUE:				
Use of money and property				2,118,551
Sale of property and compensation for loss				108,043
Miscellaneous				1,170,508
Rental income				48,500
<b>TOTAL GENERAL REVENUE</b>				<b>3,445,602</b>
<b>CHANGE IN NET POSITION</b>				<b>(9,693,144)</b>
<b>NET POSITION - beginning of year</b>				<b>(360,319,326)</b>
<b>TOTAL NET POSITION - end of year</b>				<b>\$ (370,012,470)</b>

The accompanying notes are an integral part of these statements.

WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENTAL-WIDE NET POSITION  
 JUNE 30, 2024

	Governmental Fund Types					Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous	
					Special Revenue	
<b>ASSETS</b>						
Cash - unrestricted	\$ 21,529,912	\$ -	\$ 1,649,519	\$ -	\$ -	\$ 23,179,431
Cash - restricted	30,308,331	1,742,475	-	13,039,854	5,107	45,095,767
Due from school districts	46,929,993	796,357	-	-	-	47,726,350
Due from component districts - return of surplus	-	436,092	-	-	-	436,092
Due from other funds	9,164,340	-	-	2,087,854	-	11,252,194
State and federal aid receivable	20,475,494	1,453,669	101,799	-	-	22,030,962
Accounts receivable	356,262	133,570	44,453	-	-	534,285
Lease receivable	11,695,267	-	-	-	-	11,695,267
Other receivables	914,532	-	-	-	-	914,532
Due from other governments	36,626	3,678,088	-	-	-	3,714,714
Restricted assets - escrow cash	-	-	-	5,264	-	5,264
Inventory	-	-	86,552	-	-	86,552
<b>TOTAL ASSETS</b>	<b>\$ 141,410,757</b>	<b>\$ 8,240,251</b>	<b>\$ 1,882,323</b>	<b>\$ 15,132,972</b>	<b>\$ 5,107</b>	<b>\$ 166,671,410</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 12,329,256	\$ 814,824	\$ 29,571	\$ 374,699	\$ -	\$ 13,548,350
Accrued liabilities	5,647,158	149,802	21,130	-	-	5,818,090
Due to component districts - return of surplus	43,637,863	-	-	-	-	43,637,863
Due to ERS	1,467,315	16,665	31,797	-	-	1,515,777
Due to TRS	5,493,946	-	-	-	-	5,493,946
Due to other governments	-	-	603	-	-	603
State aid due to school districts	20,475,494	-	-	-	-	20,475,494
Due to other funds	2,087,854	6,720,652	391,288	-	-	9,199,794
Unearned revenue	11,356,771	107	25,150	-	-	11,382,028
<b>Total Liabilities</b>	<b>102,495,657</b>	<b>7,702,050</b>	<b>499,539</b>	<b>374,699</b>	<b>-</b>	<b>111,071,945</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflow of resources - lease	11,410,404	-	-	-	-	11,410,404
Deferred inflow of resources - life insurance	662,076	-	-	-	-	662,076
<b>Total Deferred Inflows of Resources</b>	<b>12,072,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,072,480</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>114,568,137</b>	<b>7,702,050</b>	<b>499,539</b>	<b>374,699</b>	<b>-</b>	<b>123,144,425</b>

WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENTAL-WIDE NET POSITION  
JUNE 30, 2024

	Governmental Fund Types					Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	
FUND BALANCE						
Nonspendable						
Inventory	-	-	86,552	-	-	86,552
Restricted						
Reserve for ERS	1,667,272	-	-	-	-	1,667,272
Reserve for TRS	4,557,662	-	-	-	-	4,557,662
Reserve for compensated absences	13,132,961	-	-	-	-	13,132,961
Reserve for unemployment	160,764	-	-	-	-	160,764
Reserve for workers compensation	4,117,377	-	-	-	-	4,117,377
Reserve for property and casualty claims	400,000	-	-	-	-	400,000
Restricted for extraclassroom activities	-	-	-	-	5,107	5,107
Restricted for capital projects	-	-	-	14,758,273	-	14,758,273
Total Restricted	24,036,036	-	-	14,758,273	5,107	38,799,416
Assigned	2,711,881	538,201	1,296,232	-	-	4,546,314
Unassigned	94,703	-	-	-	-	94,703
Total Fund Balance	26,842,620	538,201	1,382,784	14,758,273	5,107	43,526,985

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 141,410,757	\$ 8,240,251	\$ 1,882,323	\$ 15,132,972	\$ 5,107	\$ 166,671,410
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A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balances per above	\$ 43,526,985
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	96,442,320
Pension and other postemployment related government-wide activity:	
Deferred outflows of resources - ERS	12,501,206
Deferred outflows of resources - TRS	20,295,756
Deferred outflows of resources - OPEB	66,409,233
Net pension liability - ERS	(13,071,190)
Net pension liability - TRS	(2,891,006)
Deferred inflows of resources - ERS	(6,959,043)
Deferred inflows of resources - TRS	(1,544,968)
Deferred inflows of resources - OPEB	(124,561,348)
Deferred revenues recognized as revenue under full accrual accounting.	662,076
Other postemployment benefits are recognized as a liability under full accrual accounting.	(427,550,701)
Compensated absences due in more than one year are recognized as a liability under full accrual accounting.	(13,132,961)
Installment purchase debt is not due in the current period and, therefore, is not reported in the funds.	(12,176,119)
Lease liabilities are not due in the current period and, therefore, are not reported in the funds.	(1,389,642)
SBITA liabilities are not due in the current period and, therefore, are not reported in the funds.	(210,654)
Accrued interest recognized as a liability under full accrual accounting.	(38,596)
Workers compensation payable due in more than one year are recognized as a liability under full accrual accounting.	(6,323,818)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (370,012,470)

The accompanying notes are an integral part of these statements.

**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Governmental Fund Types</b>					Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	
<b>REVENUE:</b>						
Charges for services	\$ 4,562,419	\$ -	\$ -	\$ -	\$ -	\$ 4,562,419
Charges to components	217,512,375	5,879,866	-	-	-	223,392,241
Charges to other BOCES	14,345,389	135,790	-	-	-	14,481,179
Interest and earnings	2,093,810	-	24,741	-	-	2,118,551
Rental property	48,500	-	-	-	-	48,500
Sale of property and compensation for loss	108,043	-	-	-	-	108,043
Miscellaneous	946,931	7,664	-	-	85,181	1,039,776
State sources	20,000	6,736,570	152,311	-	-	6,908,881
Federal sources	-	1,680,520	512,984	-	-	2,193,504
Sales - School lunch	-	-	224,301	-	-	224,301
<b>Total revenue</b>	<b>239,637,467</b>	<b>14,440,410</b>	<b>914,337</b>	<b>-</b>	<b>85,181</b>	<b>255,077,395</b>
<b>EXPENDITURES:</b>						
Administration	16,675,381	-	-	-	-	16,675,381
Occupational instruction	30,330,750	3,461,219	-	-	-	33,791,969
Instruction for special education	106,373,979	4,762,238	-	-	88,300	111,224,517
Itinerant services	228,319	-	-	-	-	228,319
General instruction	9,768,434	-	-	-	-	9,768,434
Instructional support	45,767,967	3,373,541	-	-	-	49,141,508
Other services	15,668,539	-	-	-	-	15,668,539
Internal services	2,692,634	-	-	-	-	2,692,634
School lunch program	-	-	1,714,724	-	-	1,714,724
Debt service - Principal	732,448	-	-	-	-	732,448
Debt service - Interest	78,112	-	-	-	-	78,112
Capital outlay	-	-	-	9,617,214	-	9,617,214
<b>Total expenditures</b>	<b>228,316,563</b>	<b>11,596,998</b>	<b>1,714,724</b>	<b>9,617,214</b>	<b>88,300</b>	<b>251,333,799</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>11,320,904</b>	<b>2,843,412</b>	<b>(800,387)</b>	<b>(9,617,214)</b>	<b>(3,119)</b>	<b>3,743,596</b>
<b>OTHER SOURCES AND (USES):</b>						
Operating transfers in	2,397,886	124,758	1,050,000	3,749,842	-	7,322,486
Return of surplus due to component districts	(7,290,672)	-	-	-	-	(7,290,672)
Proceeds from issuance of debt	-	-	-	5,814,285	-	5,814,285
Proceeds from issuance of SBITAs	103,185	-	-	-	-	103,185
Operating transfers (out)	(4,827,862)	(2,490,245)	(4,379)	-	-	(7,322,486)
<b>Total other sources (uses)</b>	<b>(9,617,463)</b>	<b>(2,365,487)</b>	<b>1,045,621</b>	<b>9,564,127</b>	<b>-</b>	<b>(1,373,202)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES AND (USES) OVER EXPENDITURES AND OTHER SOURCES AND (USES)</b>	<b>1,703,441</b>	<b>477,925</b>	<b>245,234</b>	<b>(53,087)</b>	<b>(3,119)</b>	<b>2,370,394</b>
<b>FUND BALANCE - beginning of year</b>	<b>25,139,179</b>	<b>60,276</b>	<b>1,137,550</b>	<b>14,811,360</b>	<b>8,226</b>	<b>41,156,591</b>
<b>FUND BALANCE - end of year</b>	<b>\$ 26,842,620</b>	<b>\$ 538,201</b>	<b>\$ 1,382,784</b>	<b>\$ 14,758,273</b>	<b>\$ 5,107</b>	<b>\$ 43,526,985</b>

The accompanying notes are an integral part of these statements.

## WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

### RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

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Net changes in fund balance - Total governmental funds	\$ 2,370,394
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	13,074,523
Depreciation and amortization are not recorded as an expenditure in the governmental funds, but are recorded in the statement of activities.	(16,593,108)
Pension expense resulting from the GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	(5,801,658)
Repayments of installment purchase debt are recorded as expenditures in the governmental funds, but are recorded as payments liabilities in the statement of net position.	6,020,597
Issuance of installment purchase debt are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	(6,742,844)
Changes in long-term liabilities for lease and SBITA liabilities.	629,263
Changes in long-term liabilities for accrued interest.	38,672
Accrued postemployment benefits do not require the expenditure of current resources and are, therefore not reported as expenditures in the governmental funds.	(4,805,636)
Certain expenses, including compensated absences and workers compensation payable, in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>2,116,653</u>
Change in net position - Governmental activities	<u>\$ (9,693,144)</u>

The accompanying notes are an integral part of these statements.

# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

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	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash - Restricted	\$ 2,871,664
Total assets	<u>2,871,664</u>
<b>LIABILITIES</b>	
Due to other funds	<u>2,052,400</u>
Total liabilities	<u>2,052,400</u>
<b>NET POSITION</b>	
Restricted for other purposes	<u>\$ 819,264</u>

The accompanying notes are an integral part of these statements.

# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2024

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Cash collected for other governments	\$ <u>8,278,563</u>
Total additions	<u>8,278,563</u>
<b>DEDUCTIONS</b>	
Payment of cash collected to other governments	<u>8,763,664</u>
Total deductions	<u>8,763,664</u>
Net increase (decrease) in fiduciary net position	(485,101)
NET POSITION - beginning of year	<u>1,304,365</u>
NET POSITION - end of year	<u>\$ 819,264</u>

The accompanying notes are an integral part of these statements.



# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Operations**

The Western Suffolk BOCES (the BOCES) provides shared educational programs and services to its component districts.

#### **Significant Accounting Policies**

The financial statements of the BOCES have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **Reporting Entity**

The BOCES is governed by the laws of New York State. The BOCES is an independent entity governed by an elected Board of Education consisting of 7 members. The board is responsible for, and controls all activities related to public school education within the BOCES. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component BOCES' share of administrative and capital costs is calculated using a 50/50 hybrid combination of the components total true valuation and resident weighted average daily attendance (RWADA) as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

The reporting entity of the BOCES is based upon criteria set forth by generally accepted accounting principles. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the BOCES. The BOCES is not a component unit of another reporting entity. The decision to include a potential component unit in the BOCES reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of a certain entity included in the BOCES reporting entity.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Extraclassroom Activity Funds**

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

### **Basis of Presentation**

#### BOCES-Wide Financial Statements

The statement of net position and the statement of activities present financial information about the BOCES governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the BOCES governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue is presented as general revenue.

#### Fund Financial Statements

The fund statements provide information about the BOCES funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The BOCES reports the following major governmental funds:

*General Fund:* This is the BOCES primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

*Special Aid Fund:* This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

*School Lunch Fund:* This fund accounts for the activities of the school lunch operations.

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

*Miscellaneous Special Revenue Fund:* This fund is used to account for and report those revenues that are restricted or committed for specified purposes. Specifically, the BOCES accounts for extraclassroom activities, as the BOCES has administrative involvement.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Basis of Presentation (Continued)**

#### Fund Financial Statements (Continued)

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the BOCES acts as trustee or agent for resources that belong to others. These activities are not included in the BOCES-wide financial statements, because their resources do not belong to the BOCES, and are not available to be used. There is one class of fiduciary funds:

- *Custodial funds*: These funds are strictly custodial in nature and do not involve the measurement of results of operations. These are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, pensions, other postemployment benefits, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

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

The Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the BOCES gives or receives value without directly receiving or giving equal value in exchange include grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The BOCES considers all revenue reported in the governmental funds to be available if the revenue is collected within the subsequent fiscal year.

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

### **Cash**

The BOCES cash consists of cash on hand and demand deposits.

New York State law governs the BOCES investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Cash (Continued)**

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. BOCES has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

**Accounts Receivable**

Receivables include amounts due from other governments and individuals for services provided by BOCES. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

**Inventories**

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

**Interfund Transactions**

The operations of the BOCES include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The BOCES typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenue to provide financing or other services.

In the BOCES-wide 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 the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the BOCES' practice to settle these amounts at a net balance based upon the right of legal offset.

**Capital Assets**

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization</u> <u>Threshold</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Building and improvements	\$ 10,000	SL	50 years
Furniture and equipment	\$ 1,000	SL	5-10 years
Technology items and critical assets	\$ 500	SL	5-10 years
Land	N/A	N/A	N/A

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Capital Assets (Continued)

Capital assets also include lease and subscription-based technology arrangement (SBITA) assets with a term greater than one year. The BOCES does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

### Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

The BOCES has the following items that qualify for reporting in this category:

- The net amount of the BOCES' balances of deferred outflow of resources related to pensions is reported in the BOCES-wide Statement of Net Position as a deferred outflow of resources. This represents for pensions the effect of the net change in the BOCES' proportion of the collective net pension asset or liability and difference during the measurement period between the BOCES' contributions and its proportion share of total contributions not included in pension expense.
- The net amount of the BOCES' balances of deferred outflow of resources related to other postemployment benefits in the BOCES-wide Statement of Net Position as a deferred outflow of resources. This represents the effect of the net changes of assumptions or other inputs.
- These amounts are deferred and amortized and expensed against pension expense in future periods.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

The BOCES has the following items that qualify for reporting in this category:

- The net amount of the BOCES' balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the BOCES' proportion of the collective net pension asset or liability and the difference during the measurement period between the BOCES' contributions and its proportionate share of total contributions to the pension systems not included in pension expense.
- The net amount of the BOCES' balances of deferred inflow of resources related to other postemployment benefits in the BOCES-wide Statement of Net Position as a deferred inflow of resources. This represents the effect of the net changes of assumptions or other inputs.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Deferred Outflows and Inflows of Resources (Continued)

- Lease-related amounts are recognized at the inception of the leases in which the BOCES is the lessor. The deferred inflow of resources is recorded in the amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

### Vested Employee Benefits

The BOCES employees are granted vacation and sick leave in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation or death, employees may be eligible to receive a portion of the value of unused accumulated sick leave.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB, the liability has been calculated using the vesting method and an accrual for that liability is included in the Government-wide financial statements. The compensated absences liability is calculated based on the terms of the collective bargaining agreements and individual employment contracts in effect at year-end.

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

### Other Benefits

Eligible BOCES employees participate in the New York State Employees' Retirement System or the New York State Teachers' Retirement System.

### Other Postemployment Benefits

In addition to providing retirement benefits described, the BOCES provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the BOCES and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the BOCES. The BOCES pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. See Note 10 for additional information regarding postemployment benefits.

### Unearned Revenue

Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In BOCES-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Unearned Revenue (Continued)**

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts have been deemed to be measurable but not available pursuant to generally accepted accounting principles.

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

Payables, accrued liabilities, and long-term obligations are reported in the BOCES-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full, from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Installment Purchase Agreements and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the BOCES' policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

### **Equity Classifications**

#### BOCES-Wide Statements

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

Net investment in capital assets - consists of net capital assets reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets plus any unspent proceeds of those debt obligations.

Restricted net position - reports net position when constraints placed on the assets are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the BOCES.

#### Fund Statements

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

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund.

Restricted fund balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Workers' Compensation Reserve**

Workers' Compensation Reserve (GML §6-j) 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 self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve, or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

**Unemployment Insurance Reserve**

Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve, or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the BOCES elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.

**Employee Benefit Accrued Liability Reserve**

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

**Retirement Contribution Reserve**

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. TRS is used for pension costs related to TRS and is a sub-reserve of ERS. This reserve is accounted for in the general fund.

**Property Loss Reserve**

Property Loss Reserve (Education Law §1709(8) (c)) is used to pay for property loss incurred. A separate fund for property loss is required, and the reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts and BOCES, except city school districts with a population greater than 125,000. This reserve is accounted for in the general fund.

**Reserve for Compensated Absences**

This reserve is used to pay for the compensated absences liability which is based on the accrued vesting/termination payouts noted in the terms of the collective bargaining agreements and individual employment contracts in effect at year end. This is accounted for in the general fund.

**Restricted for Capital Projects**

This restriction, accounted for in the capital projects fund, is used to distinguish the fund balance allocated to the completion of certain capital projects.



**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Restricted for Extraclassroom Activities**

This restriction, accounted for in the miscellaneous special revenue fund, is used to distinguish the fund balance restricted to the funding of certain extraclassroom club activities.

Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the BOCES' highest level of decision-making authority, i.e., the Board of Education. The BOCES has no committed fund balances as of June 30, 2024.

Assigned fund balance - Includes amounts that are constrained by the BOCES' intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance. Encumbrances reported in the general fund amounted to \$2,711,881. As of June 30, 2024, the BOCES' encumbrances were classified as follows:

Administration	\$	13,621
Occupational Instruction		221,481
Instruction for special education		13,788
General instruction		70,050
Instruction support		1,660,821
Other services		400
Internal services		731,720
	\$	<u>2,711,881</u>

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the BOCES.

Order of Fund Balance Spending Policy

The BOCES' policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND BOCES-WIDE STATEMENTS**

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

## 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND BOCES-WIDE STATEMENTS (Continued)

### *Total Fund Balances of Governmental Funds vs. Net position of Governmental Activities*

Total fund balances of the BOCES governmental funds differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

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

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

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

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

#### **Capital Related Differences**

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

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

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

#### **Pension Differences**

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

#### **OPEB Differences**

OPEB differences occur as a result of changes in the BOCES' total OPEB liability and differences between the BOCES' contributions and OPEB expense.

### 3. STEWARDSHIP AND COMPLIANCE

#### **Budgets**

Section 1950 of the Education Law requires adoption of a final budget by no later than May 15 of the ensuing year.

The BOCES administration prepares a proposed administrative, capital and program budget, as applicable for approval by the members of the Board of Education for the general fund, the only fund with a legally adopted budget. The budget is adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. A tentative administrative budget is provided to the component districts for adoption by resolution. Approval of the tentative administrative budget requires the approval of a majority of the component school boards actually voting. During the current year, the administrative budget was approved by a majority of its voting component school boards. Appropriations are adopted at the program line item level. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year and any appropriated reserve funds. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Administration	\$	15,122
Occupational Instruction		1,057,444
Instruction for special education		10,954,263
Itinerant services		61,860
General instruction		1,532,126
Instruction support		14,516,567
Other services		6,786,811
Internal services		1,596,278
Transfers to other funds		1,014,561
	\$	<u>37,535,032</u>

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the BOCES' voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

#### **Encumbrance Accounting**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.

#### 4. CASH

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

At June 30, 2024, the reported amount of the BOCES' deposits totaled \$71,146,862 and the bank balance was \$92,721,346. Of the bank balance, \$1,250,000 was covered by federal depository insurance, with \$91,471,346 covered by collateral held in the pledging bank's trust department in the BOCES' name.

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

Cash on deposit for Miscellaneous Special Revenue Fund	<u>\$ 5,107</u>
Cash reserves - General Fund	<u>\$ 30,308,331</u>
Cash in reserves - Capital Fund	<u>\$ 13,039,854</u>
Restricted cash - Special Aid Fund	<u>\$ 1,742,475</u>

## 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	July 1, 2023		June 30, 2024	
	Balance	Additions	Deletions	Balance
Governmental activities				
Capital assets that are not depreciated:				
Land	\$ 817,707	\$ -	\$ -	\$ 817,707
Total non-depreciable historical cost	<u>817,707</u>	<u>-</u>	<u>-</u>	<u>817,707</u>
Capital assets that are depreciated:				
Buildings and improvements	112,024,202	2,239,087	-	114,263,290
Furniture and equipment	<u>90,676,774</u>	<u>10,732,251</u>	<u>982,953</u>	<u>100,426,072</u>
Total depreciable historical cost	<u>202,700,976</u>	<u>12,971,338</u>	<u>982,953</u>	<u>214,689,362</u>
Less accumulated depreciation:				
Buildings and improvements	39,846,818	2,021,609	-	41,868,427
Furniture and equipment	<u>65,690,248</u>	<u>13,914,051</u>	<u>982,953</u>	<u>78,621,346</u>
Total accumulated depreciation	<u>105,537,066</u>	<u>15,935,660</u>	<u>982,953</u>	<u>120,489,773</u>
Total depreciable cost, net	<u>97,163,910</u>	<u>(2,964,322)</u>	<u>-</u>	<u>94,199,589</u>
Lease assets:				
Intangible Right-to-Use Lease - Land	22,993,624	-	17,883,930	5,109,694
Intangible Right-to-Use Lease - Equipment	2,830,568	-	-	2,830,568
Intangible Right-to-Use Software Arrangement	<u>351,183</u>	<u>103,185</u>	<u>-</u>	<u>454,368</u>
Total lease assets	<u>26,175,375</u>	<u>103,185</u>	<u>17,883,930</u>	<u>8,394,630</u>
Less lease accumulated amortization:				
Intangible Right-to-Use Lease - Land	5,109,694	-	-	5,109,694
Intangible Right-to-Use Lease - Equipment	1,132,227	566,114	-	1,698,341
Intangible Right-to-Use Software Arrangement	<u>70,237</u>	<u>91,334</u>	<u>-</u>	<u>161,571</u>
Total lease accumulated amortization	<u>6,312,158</u>	<u>657,448</u>	<u>-</u>	<u>6,969,606</u>
Total lease amortized cost, net	<u>19,863,217</u>	<u>(554,263)</u>	<u>17,883,930</u>	<u>1,425,024</u>
Total capital assets, net	<u>\$ 117,844,834</u>	<u>\$ (3,518,585)</u>	<u>\$ 17,883,930</u>	<u>\$ 96,442,320</u>

**5. CAPITAL ASSETS (Continued)**

Depreciation and amortization expense for the year ended June 30, 2024, was allocated to specific functions as follows:

	Depreciation	Amortization
Administration	\$ 1,441,627	\$ -
Occupational instruction	2,278,344	-
Instruction for special education	7,172,016	657,448
Itinerant services	15,394	-
General instruction	658,614	-
Instruction support	3,313,251	-
Other services	1,056,414	-
	<u>15,935,660</u>	<u>657,448</u>
Total	<u>\$ 15,935,660</u>	<u>\$ 657,448</u>

**6. LEASE AGREEMENTS/SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS**

**Lessee**

The BOCES leases various equipment and land for a BOCES building at Republic Airport. The leases contain various inception dates and remaining terms of 24 to 84 months and do not contain renewal options. Lease agreements are summarized as follows:

Description	Interest Rate / Discount Rate	Total Lease Liability
Land Lease for BOCES Building at Republic Airport	2.09%	\$ 245,968
North Babylon Lease	2.09%	<u>1,143,674</u>
		<u>\$ 1,389,642</u>

Activity of lease liabilities for the year ended June 30, 2024 is summarized as follows:

Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
<u>\$19,916,813</u>	<u>\$ -</u>	<u>\$18,527,171</u>	<u>\$ 1,389,642</u>	<u>\$ 602,473</u>

**6. LEASE AGREEMENTS/SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (Continued)**

**Lessee (Continued)**

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>At fiscal year end June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 602,473	\$ 28,887	\$ 631,360
2026	617,949	16,610	634,559
2027	40,989	3,571	44,560
2028	41,854	2,705	44,559
2029	42,737	1,823	44,560
2030-2034	<u>43,640</u>	<u>921</u>	<u>44,561</u>
Total	<u>\$ 1,389,642</u>	<u>\$ 54,517</u>	<u>\$ 1,444,159</u>

**Lessor**

The BOCES leases equipment to its various component districts totaling 74 agreements at rates between 3.00% to 4.50% for terms of 36 to 60 months. Over the remaining term of the leases, the BOCES will receive \$11,695,267 related to the lease. During the year, the BOCES recognized \$5,872,519 as lease revenue and \$11,410,404 as deferred inflows.

Activity of lease inflows for the year ended June 30, 2024 is summarized as follows:

Lease Revenue	
Equipment	<u>\$ 5,872,519</u>
Total Lease Revenue	<u>5,872,519</u>
Interest Revenue	<u>531,102</u>
Variable & Other Revenue	<u>\$ 6,403,621</u>

Future minimum lease payments due to the BOCES are as follows:

<u>At fiscal year end June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,930,368	\$ 354,481	\$ 5,284,849
2026	3,853,421	196,141	4,049,562
2027	2,439,797	74,585	2,514,382
2028	<u>471,681</u>	<u>11,576</u>	<u>483,257</u>
Total	<u>\$ 11,695,267</u>	<u>\$ 636,783</u>	<u>\$ 12,332,050</u>

**6. LEASE AGREEMENTS/SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (Continued)**

**Subscription Based Information Technology Agreements**

The BOCES has one subscription. The subscription does not contain renewal options. The subscription has an inception date of July of 2022 and a remaining term of 36 months. The subscription agreement is summarized as follows:

Description	Interest Rate / Discount Rate	Total Lease Liability
Cyberhat - Carbon Black Software	3.77%	\$ 210,654

Activity of the subscription liabilities for the year ended June 30, 2024 is summarized as follows:

Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
\$ 276,615	\$ 103,185	\$ 169,146	\$ 210,654	\$ 67,592

Annual requirements to amortize long-term obligations and related interest are as follows:

At fiscal year end June 30,	Principal	Interest	Total
2025	\$ 67,592	\$ 8,080	\$ 75,672
2026	70,184	5,488	75,672
2027	72,878	2,795	75,673
Total	\$ 210,654	\$ 16,363	\$ 227,017

**7. LONG-TERM OBLIGATIONS**

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

	Balance 7/1/2023	Additions	Deletions {a}	Modifications & Remeasurements	Balance 6/30/2024	Due Within One Year
<b>Other long-term debt:</b>						
Installment Purchase Debt	\$ 11,453,872	\$ 6,742,844	\$ 6,020,597	\$ -	\$ 12,176,119	\$ 5,060,422
Lease Liability	19,916,813	-	563,302	17,963,869	1,389,642	602,473
SBITA Liability	276,615	103,185	169,146	-	210,654	67,592
Compensated Absences {a}	13,473,607	-	340,646	-	13,132,961	-
Total Other Postemployment Benefits	379,025,170	60,620,275	12,094,744	-	427,550,701	12,589,419
Net Pension Liability	22,982,068	-	7,019,872	-	15,962,196	-
Workers' Compensation	8,019,885	-	1,696,067	-	6,323,818	-
Total other long-term debt	\$ 455,148,030	\$67,466,304	\$ 27,904,374	\$ 17,963,869	\$ 476,746,091	\$18,319,906

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



## 7. LONG-TERM OBLIGATIONS (Continued)

Interest expense related to long-term debt amounted to \$359,889.

The BOCES has entered into various installment purchase agreements for the purpose of acquiring computer equipment necessary to provide instructional computer services. The BOCES is obligated under certain installment purchase agreements at various incremental interest rates as listed below. Assets purchased under the agreements totaled \$34,038,198 at June 30, 2024 and total accumulated depreciation for these assets was \$21,777,495 at year end.

The BOCES' installment purchase debt agreements are payable in 60 monthly installments or less and bear interest ranging from 0.01% to 4.36%.

The following is a summary of maturities at June 30, 2024:

<u>At fiscal year end June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 5,060,442	\$ 273,642
2026	4,055,935	162,328
2027	2,529,902	64,756
2028	<u>529,840</u>	<u>9,973</u>
Total	<u>\$ 12,176,119</u>	<u>\$ 510,699</u>

See Note 11 for more detailed information on the Workers' Compensation long-term debt.

## 8. INTERFUND BALANCES AND ACTIVITY

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

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditure</u>
General fund	\$ 9,164,340	\$ 2,087,854	\$ 2,397,886	\$ 4,827,862
Special aid fund	-	6,720,652	124,758	2,490,245
School lunch fund	-	391,288	1,050,000	4,379
Capital fund	2,087,854	-	3,749,842	-
Custodial fund	-	<u>2,052,400</u>	-	-
Total	<u>\$11,252,194</u>	<u>\$11,252,194</u>	<u>\$ 7,322,486</u>	<u>\$ 7,322,486</u>

The BOCES typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

## 9. PENSION PLANS

### New York State Employee Retirement System

The BOCES participates in the New York State and Local Employees' Retirement System (ERS) also referred to as the New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (NYSRSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The BOCES also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

### Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2024	\$ 4,190,187
2023	\$ 3,393,102
2022	\$ 4,556,779

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008.

## 9. PENSION PLANS (Continued)

### Contributions (Continued)

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

All amounts due were remitted in full to the New York Employee Retirement System. No portion of the BOCES' retirement bill was amortized or bonded as of June 30, 2024.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the BOCES reported a liability (asset) of \$13,071,190 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of that date. The BOCES' proportion of the net pension liability (asset) was based on a projection of the BOCES' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the BOCES' proportion was 0.0887744 percent, which was an increase from its proportion measured June 30, 2023 of 0.0840581 percent.

## 9. PENSION PLANS (Continued)

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

For the year ended June 30, 2024, the BOCES recognized pension expense of \$6,345,535. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,210,220	\$ 356,417
Change of assumptions	4,941,923	-
Net difference between projected and actual earnings on pension plan investments	-	6,385,207
Change in proportion and differences between the BOCES' contributions and proportionate share of contributions	1,881,748	217,419
Contributions subsequent to the measurement date	1,467,315	-
	<u>\$ 12,501,206</u>	<u>\$ 6,959,043</u>

The BOCES recognized \$1,467,315 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024 which will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025.

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

#### Plan's Year Ended March

2025	\$ (1,859,059)
2026	2,962,923
2027	4,146,343
2028	<u>(1,175,359)</u>
	<u>\$ 4,074,848</u>

### Actuarial Assumptions

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.9%
Salary scale	4.4% indexed by service
Projected COLAs	1.5%
Decrements	Developed from the Plan's experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

## 9. PENSION PLANS (Continued)

### Actuarial Assumptions (Continued)

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

Asset Type	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Domestic Equity	32	4.00
International Equity	15	6.65
Private Equity	10	7.25
Real Estate	9	4.60
Opportunistic/ARS portfolio	3	5.25
Credit	4	5.40
Real Assets	3	5.79
Fixed Income	23	1.50
Cash	1	0.25
	100	

### Discount Rate

The discount rate used to measure the total pension liability was 5.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from plan employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Proportionate Share of the net pension liability (asset) to the Discount Rate Assumption

The following presents the BOCES' proportionate share of the net pension liability (asset) calculated using the discount rate of 5.90 percent, as well as what the BOCES' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

1% Decrease	Current Assumption	1% Increase
4.90%	5.90%	6.90%
\$41,097,157	\$13,071,190	\$(10,336,306)

## 9. PENSION PLANS (Continued)

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

The components of the current-year net pension liability (asset) of the employers as of March 31, 2024, were as follows:

Total pension liability	\$	240,696,851
Net position		<u>225,972,801</u>
Net pension liability (asset)	\$	<u>14,724,050</u>
Fiduciary net position as a percentage of total pension liability		93.88%

### New York State Teachers' Retirement System

The BOCES participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

### Contributions

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

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

The BOCES is required to contribute at an actuarially determined rate. The BOCES contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions made in the current year and two preceding years were:

	<u>TRS</u>
2024	\$ 4,804,435
2023	\$ 4,484,441
2022	\$ 4,317,374

## 9. PENSION PLANS (Continued)

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the BOCES reported a liability (asset) of \$2,891,006 for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of June 30, 2022. The BOCES' proportion of the net pension liability (asset) was based on a projection of the BOCES' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the BOCES' proportion was 0.25280% percent, which was an decrease from its proportion measured June 30, 2023 of 0.25831% percent.

For the year ended June 30, 2024, the BOCES recognized pension expense of \$8,553,382. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,009,919	\$ 17,324
Changes of Assumptions	6,224,249	1,356,541
Net difference between projected and actual earnings on pension plan investments	1,477,825	-
Changes in proportion and differences between the BOCES' contributions and proportionate share of contributions	774,772	171,103
Contributions subsequent to the measurement date	4,808,991	-
	<u>\$ 20,295,756</u>	<u>\$ 1,544,968</u>

The BOCES recognized \$4,808,991 as deferred outflows of resources related to pensions resulting from the BOCES' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025.

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

Plan's Year Ended March	
2024	\$ 1,391,241
2025	(1,405,437)
2026	11,718,937
2027	988,865
2028	784,590
Thereafter	463,601
	<u>\$ 13,941,797</u>

## 9. PENSION PLANS (Continued)

### Actuarial Assumptions

The total pension asset at the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension asset to June 30, 2023. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation										

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

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



**9. PENSION PLANS (Continued)**

**Actuarial Assumptions (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

Asset Type	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Domestic Equity	33	6.80
International Equity	15	7.60
Global Equity	4	7.20
Real Estate Equity	11	6.30
Private Equity	9	10.10
Domestic Fixed Income	16	2.20
Global Bonds	2	1.60
Private Debt	2	6.00
Real Estate Debt	6	3.20
High Yield Bonds	1	4.40
Cash Equivalents	1	0.30
	100	

**Discount Rate**

The discount rate used to measure the total pension liability as of June 30, 2024 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from the BOCES will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the net pension liability (asset) to the Discount Rate Assumption**

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

1% Decrease	Current Discount	1% Increase
5.95%	6.95%	7.95%
<u>\$ 44,031,481</u>	<u>\$ 2,891,006</u>	<u>\$ (31,709,914)</u>

**9. PENSION PLANS (Continued)**

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

The components of the current-year net pension liability (asset) of the employers as of June 30, 2023, were as follows:

Total pension liability	\$	138,365,122
Net position		<u>137,221,537</u>
Net position liability (asset)	\$	<u>1,143,585</u>
Fiduciary net position as a percentage of total pension liability		99.17%

**Payables to the Pension Plans**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	<u>June 30, 2024</u>
ERS Liability	\$ 13,071,190
TRS Liability	\$ 2,891,006

**10. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The BOCES provides certain other postemployment benefits (predominately health insurance) for retired employees of the BOCES. The BOCES administers the Other Postemployment Benefits Plan (the OPEB Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). Eligibility for retirement and participation in the OPEB plan is based on meeting a criteria of minimum age and/or years of service requirements. Employees must be a minimum age of 55 and have a minimum of 10 or 20 years of service based on employee unit and date of hire.

Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the BOCES Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

## 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Benefits Provided

The BOCES provides healthcare benefits for retirees and their dependents. The benefits terms are dependent on which contract the employee falls under. The specifics of each contract are on file at the BOCES offices and are available upon request.

### Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

Active employees	1,139
Retired employees (including vested terminations)	<u>845</u>
Total participants	<u><u>1,984</u></u>

### Total OPEB Liability

The BOCES' total OPEB liability of \$427,550,701 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	7.0 percent
Payroll Growth	3.0 percent
Discount Rate	4.09 percent
Healthcare Cost Trend Rates	7.0 percent for 2025, decreasing 0.25 percent per year to an ultimate rate of 4.5 percent for 2035 and later years Retirees'

Share of Benefit-Related Costs Medical coverage, including prescription drugs as part of the medical plan, is funded on a fully insured basis. Neither dental, vision, nor life insurance benefits are subsidized in retirement. The BOCES does not reimburse for the Part D premium. Contribution rates are based on employee class and date of retirement.

Cost Method	Entry Age Normal as a Percentage of Payroll
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The selected discount rate is based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2022.

Mortality rates were based on the mortality improvement scale (SOA MP-2021).

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Changes in the Total OPEB Liability**

Balance at July 1, 2023	\$ 379,025,170
Changes for the Year:	
Service cost	9,486,318
Interest	15,254,792
Benefit payments	(12,094,744)
Change in assumptions	<u>35,879,165</u>
Net changes	<u>48,525,531</u>
Balance at June 30, 2024	<u>\$ 427,550,701</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>Discount (Interest) Rate Sensitivity</u>		
	1% Decrease	Current Discount	1% Increase
	<u>3.09%</u>	<u>4.09%</u>	<u>5.09%</u>
Total OPEB Liability	<u>\$ 514,553,314</u>	<u>\$ 427,550,701</u>	<u>\$ 361,570,499</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>Healthcare Cost Inflation (Trend) Rate Sensitivity</u>		
	Trend Rate Less	Current Discount	Trend Rate plus
	<u>1%</u>	<u>Rate</u>	<u>1%</u>
Total OPEB Liability	<u>\$ 355,573,386</u>	<u>\$ 427,550,701</u>	<u>\$ 523,344,624</u>

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

For the year ended June 30, 2024, the BOCES recognized OPEB expense of \$16,900,380. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of</u>	<u>Deferred Inflow of</u>
	<u>Resources</u>	<u>Resources</u>
Changes in assumptions	<u>\$ 66,409,233</u>	<u>\$ 124,561,348</u>

## 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (7,840,730)
2026	(7,840,730)
2027	(14,003,576)
2028	(19,953,086)
2029	(15,501,023)
Thereafter	6,987,030
	<u>\$ (58,152,115)</u>

## 11. RISK MANAGEMENT

The BOCES is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past two years.

### Workers' Compensation Plan

The BOCES has established a self-insured plan for risks associated with workers' compensation claims. The plan establishes claims' liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) which have been reported but not settled, and of claims which have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the nature of the case. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims' liabilities does not necessarily result in an exact amount. Claims' liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates which reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data which reflect past inflation and on other factors which are considered to be appropriate modifiers of past experience. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made.

Claims activity is summarized below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Unpaid Claims at Beginning of Year	\$ 8,019,885	\$ 9,178,477
Incurred Claims and Claim Adjustment Expense	715,518	281,393
Claim Payments	(2,411,585)	(1,439,985)
Unpaid Claims at year end	<u>\$ 6,323,818</u>	<u>\$ 8,019,885</u>

## **12. SPLIT DOLLAR LIFE INSURANCE POLICIES**

The BOCES has provided life insurance policies with split dollar provisions for certain of its current and former employees. The split dollar provisions provide for the reimbursement of all but the first year's previously paid premiums upon the demise of the insured or if the policy is cashed in prior to death.

At June 30, 2024, there were total premiums receivable in the amount of \$662,076. The corresponding revenue to this receivable will be recognized in the year that the premiums are refunded.

## **13. CONTINGENCIES AND COMMITMENTS**

### **Other Contingencies**

The BOCES has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the BOCES administration believes disallowances, if any, will be immaterial.

The BOCES has various commitments with contractors for the completion of capital projects.

## **14. SUBSEQUENT EVENTS**

In July 2024, the BOCES entered into two installment purchase agreements with TD Bank for various information technology equipment and software for component districts. The debt principal amounts were \$3,113,500 and \$3,111,400 with terms and interest rates of 4 years at 4.17% and 5 years at 4.15%, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budgetary Actual</u>
<b>REVENUE</b>				
Administration	\$ 8,344,836	\$ 9,359,799	\$ 10,010,228	\$ 650,429
Occupational instruction	34,082,152	34,805,023	33,500,075	(1,304,948)
Instruction for special education	114,054,112	124,920,344	117,654,219	(7,266,125)
Itinerant services	198,501	260,361	245,100	(15,261)
General instruction	12,163,147	13,693,674	10,387,383	(3,306,291)
Instruction support	36,107,096	50,610,334	51,457,760	847,426
Other services	18,011,097	24,797,908	16,088,601	(8,709,307)
Internal services	<u>-</u>	<u>539,643</u>	<u>294,101</u>	<u>(245,542)</u>
Total revenues	222,960,941	258,987,086	239,637,467	(19,349,619)
<b>OTHER SOURCES</b>				
Operating transfers in	14,405,773	15,914,656	2,397,886	(13,516,770)
Proceeds from issuance of SBITAs	<u>-</u>	<u>-</u>	<u>103,185</u>	<u>103,185</u>
Total revenues and other sources	<u>\$ 237,366,714</u>	<u>\$ 274,901,742</u>	<u>\$ 242,138,538</u>	<u>\$ (32,763,204)</u>

(Continued)

The accompanying notes are an integral part of these statements.



**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Budgetary Actual
<b>EXPENDITURES</b>					
Administration	\$ 16,614,307	\$ 16,629,429	\$ 16,675,381	\$ 13,621	\$ (59,573)
Occupational instruction	34,085,238	35,142,682	30,330,750	221,481	4,590,451
Instruction for special education	112,924,754	123,879,017	106,373,979	13,788	17,491,250
Itinerant services	198,501	260,361	228,319	-	32,042
General instruction	11,920,948	13,453,074	9,768,434	70,050	3,614,590
Instructional support	36,104,095	50,620,662	45,767,967	1,660,821	3,191,874
Other services	18,011,347	24,798,158	15,668,539	400	9,129,219
Debt service - Principal	-	-	732,448	-	(732,448)
Debt service - Interest	-	-	78,112	-	(78,112)
Internal services	3,385,985	4,982,263	2,692,634	731,720	1,557,909
Total expenditures	<u>233,245,175</u>	<u>269,765,646</u>	<u>228,316,563</u>	<u>2,711,881</u>	<u>38,737,202</u>
<b>OTHER USES</b>					
Return of surplus due to component districts	-	-	7,290,672	-	(7,290,672)
Operating transfers out	4,121,560	5,136,121	4,827,862	-	308,259
Total other uses	<u>4,121,560</u>	<u>5,136,121</u>	<u>12,118,534</u>	<u>-</u>	<u>(6,982,413)</u>
Total expenditures and other uses	<u>\$ 237,366,735</u>	<u>\$ 274,901,767</u>	<u>240,435,097</u>	<u>\$ 2,711,881</u>	<u>\$ 31,754,789</u>
NET CHANGE IN FUND BALANCE			1,703,441		
FUND BALANCE - beginning of year			<u>25,139,179</u>		
FUND BALANCE - end of year			<u>\$ 26,842,620</u>		

The accompanying notes are an integral part of these statements.

**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30,**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.0887744%	0.0840581%	0.0822952%	0.0852613%	0.0898924%	0.0910865%	0.0929059%	0.0936120%	0.0951623%	0.0964208%
Proportionate share of the net pension liability (asset)	\$ 13,071.2	\$ 18,025.5	\$ (6,727.3)	\$ 84.9	\$ 23,804.0	\$ 6,453.8	\$ 2,998.4	\$ 8,796.0	\$ 15,273.8	\$ 3,257.3
Covered-employee payroll	\$ 35,112.6	\$ 33,345.4	\$ 30,400.7	\$ 31,249.9	\$ 30,868.7	\$ 30,840.7	\$ 30,295.4	\$ 30,359.5	\$ 29,444.8	\$ 28,491.9
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.23%	54.06%	-22.13%	0.27%	77.11%	20.93%	9.90%	28.97%	51.87%	11.43%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.70%	97.20%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.2528020%	0.2583060%	0.2669150%	0.2631700%	0.2605890%	0.2591340%	0.2695480%	0.2789380%	0.2839600%	0.3003090%
Proportionate share of the net pension liability (asset)	\$ 2,891	\$ 4,957	\$ (46,254)	\$ 7,272	\$ (6,770.1)	\$ (4,685.8)	\$ (2,048.8)	\$ 2,987.5	\$ (29,494.4)	\$ (33,452.6)
Covered-employee payroll	\$ 49,272.4	\$ 39,704.8	\$ 45,770.0	\$ 45,314.4	\$ 44,683.9	\$ 42,210.1	\$ 42,713.3	\$ 43,043.0	\$ 42,652.6	\$ 44,363.1
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.87%	12.48%	-101.06%	16.05%	-15.15%	-11.10%	-4.80%	6.94%	-69.15%	-75.41%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.17%	98.60%	113.20%	97.80%	102.20%	101.53%	100.40%	99.01%	110.46%	110.48%

The accompanying notes are an integral part of these statements.

**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30,**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 4,190.2	\$ 3,393.1	\$ 4,556.8	\$ 4,378.7	\$ 4,327.6	\$ 4,362.5	\$ 4,360.4	\$ 4,421.8	\$ 5,018.1	\$ 5,371.7
Contributions in relation to the contractually required contribution	4,190.2	3,393.1	4,556.8	4,378.7	4,327.6	4,362.5	4,360.4	4,421.8	5,018.1	5,371.7
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 35,112.6	\$ 33,345.4	\$ 30,400.7	\$ 31,249.9	\$ 30,868.7	\$ 30,840.7	\$ 30,295.4	\$ 30,359.5	\$ 29,444.8	\$ 28,491.9
Contributions as a percentage of covered-employee payroll	11.93%	10.18%	14.99%	14.01%	14.02%	14.15%	14.39%	14.56%	17.04%	18.85%
<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 4,804.4	\$ 4,484.4	\$ 4,317.4	\$ 3,957.6	\$ 4,619.3	\$ 4,136.6	\$ 5,006.0	\$ 5,707.5	\$ 7,477.0	\$ 7,209.0
Contributions in relation to the contractually required contribution	4,804.4	4,484.4	4,317.4	3,957.6	4,619.3	4,136.6	5,006.0	5,707.5	7,477.0	7,209.0
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 49,272.4	\$ 39,704.8	\$ 45,770.0	\$ 45,314.4	\$ 44,683.9	\$ 42,210.1	\$ 42,713.3	\$ 43,043.0	\$ 42,652.6	\$ 44,363.1
Contributions as a percentage of covered-employee payroll	9.75%	11.29%	9.43%	9.53%	8.86%	9.80%	11.72%	13.26%	17.53%	16.25%

The accompanying notes are an integral part of these statements.

**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30,**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	\$ 9,486	\$ 8,123	\$ 8,429	\$ 14,616	\$ 12,715	\$ 5,362	\$ 5,206			
Interest	15,255	15,090	20,455	10,230	10,221	14,334	14,019			
Differences between expected and actual experience	-	-	-	-	57,867	-	-			
Changes in assumptions	35,879	(16,061)	(183,631)	38,579	-	-	-			
Benefit payments	(12,095)	(10,766)	(10,398)	(10,256)	(10,193)	(10,435)	(10,015)			
<b>Total change in total OPEB liability</b>	<b>48,526</b>	<b>(3,614)</b>	<b>(165,145)</b>	<b>53,169</b>	<b>70,610</b>	<b>9,261</b>	<b>9,209</b>			
<b>Total OPEB liability - beginning</b>	<b>379,025</b>	<b>382,639</b>	<b>547,784</b>	<b>494,615</b>	<b>424,005</b>	<b>414,744</b>	<b>405,535</b>			
<b>Total OPEB liability - ending</b>	<b>\$ 427,551</b>	<b>\$ 379,025</b>	<b>\$ 382,639</b>	<b>\$ 547,784</b>	<b>\$ 494,615</b>	<b>\$ 424,005</b>	<b>\$ 414,744</b>			
<b>Covered-employee payroll</b>	<b>\$ 69,862.8</b>	<b>\$ 67,402.0</b>	<b>\$ 67,402.0</b>	<b>\$ 65,982.4</b>	<b>\$ 65,982.4</b>	<b>\$ 62,206.6</b>	<b>\$ 62,206.6</b>			
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>611.99%</b>	<b>562.34%</b>	<b>567.70%</b>	<b>830.20%</b>	<b>749.62%</b>	<b>681.61%</b>	<b>666.72%</b>			

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Notes to schedule:**

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount Rate	4.09%	4.00%	3.77%	2.09%	2.44%	3.50%	3.50%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**OTHER INFORMATION (UNAUDITED)**

# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## SCHEDULE OF ACCOUNT A431 - SCHOOL DISTRICTS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2024

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July 1, 2023 - Debit (Credit) balance	\$ (4,056,987)
Debits	
Billings to school districts	195,561,269
Refund of balances due school districts	1,534,638
Encumbrances - June 30, 2024	2,711,386
Other adjustments	13,509,708
Total debits	<u>213,317,001</u>
Credits	
Collections from school districts	180,072,949
Adjustment - credits to school districts	2,253,219
Revenues in excess of expenditures	8,898,914
Encumbrances - June 30, 2023	2,762,290
Other adjustments	11,980,512
Total credits	<u>205,967,884</u>
June 30, 2024 - Debit (Credit) balance	<u>\$ 3,292,130</u>
Due from school districts	\$ 46,929,993
Due to component districts - return of surplus	<u>(43,637,863)</u>
	<u>\$ 3,292,130</u>

The accompanying notes are an integral part of these statements.

WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

Project Title	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance
Caleb Smith/Sunken Meadow - Reno/Rep Caleb Smith/Sunken Meadow	\$ 104,000	\$ 104,000	\$ 67,514	\$ -	\$ 67,514	\$ 36,486
WT Dix Hills - Bathroom Renovations	1,950,000	2,262,000	1,575,169	-	1,575,169	686,831
WT Dix Hills - Roof Replacement	900,000	456,099	193,044	-	193,044	263,055
Taukomas - Roof Replacement	980,000	2,130,000	1,431,597	-	1,431,597	698,403
JEA Dix Hills - Electric Transformer Replacement	166,016	95,228	94,249	979	95,228	-
JEA Melville - Electric Transformer Replacement	137,593	93,177	92,503	674	93,177	-
WT Northport - Window Replacement	696,176	939,218	937,645	1,573	939,218	-
Caleb Smith Park - Caleb Smith Renovations	850,000	850,000	57,127	2,454	59,581	790,419
District Wide - Floor Tile Replacement	1,500,000	1,500,000	689,641	23,319	712,960	787,040
WT DixHills-McGuire 2 - Kitchen Renovations	455,087	455,087	409,237	-	409,237	45,850
District Wide-Security Enhancements	100,000	100,000	-	-	-	100,000
Taukomas - Roof Top Replacement	224,000	224,000	209,929	6,770	216,699	7,301
WT Dix Hill-Jones I - Boiler Replacement	-	1,081,000	477,612	-	477,612	603,388
Brennan - Renovate Recovery High School	-	358,000	351,639	6,361	358,000	-
Administration-Interior Light Replacement	154,621	154,621	123,585	28,031	151,616	3,005
WT Manor Plains - Woodshop Exhaust Renovation	275,000	275,000	237,995	-	237,995	37,005
WT DixHills-McGuire1 - Roof Replacement	1,175,180	2,050,703	1,576,043	-	1,576,043	474,660
WT Dix Hills-Career Center - Electric Switch Gear Upgrades	198,717	332,717	240,082	8,019	248,101	84,616
WT Dix Hills-McGuire 1 - Electric Switch Gear Upgrades	481,385	481,385	314,263	22,407	336,670	144,715
WT Dix Hills-Jones 1 - Electric Switch Gear Upgrades	84,063	84,063	54,726	1,026	55,752	28,311
WT Dix Hills-Jones 2 - Electric Switch Gear Upgrades	84,063	176,063	125,497	3,223	128,720	47,343
WT Republic - Roof Top Unit Replacement	138,485	138,485	7,431	101,375	108,806	29,679
JEA Dix Hills - Bathroom Renovation	363,317	363,317	358,404	3,901	362,305	1,012
Taukomas - A/C Systems Replacement	69,675	69,675	3,304	43,305	46,609	23,066
WT Dix Hills-McGuire 1 - Electrical/Distrib Panel Replacmnt	555,000	555,000	354,379	25,208	379,587	175,413
WT Dix Hills-Jones 1 - Electrical/Distrib Panel Replacmnt	105,000	105,000	66,887	1,254	68,141	36,859
WT Dix Hills-McGuire 1 - Step-down Transformer Replacement	185,000	185,000	117,554	8,403	125,957	59,043
WT Dix Hills-McGuire 2 - Electrical Switch Gear Upgrades	555,000	555,000	228,655	5,273	233,928	321,073
Taukomas - Roof Top Units	250,000	250,000	11,855	233,525	245,380	4,620
District Wide - Health & Safety Modifications	250,000	250,000	246,237	-	246,237	3,763
District Wide - Air Filter Improvement	2,605,800	2,605,800	486,275	298,050	784,325	1,821,475
JEA Melville - Bathroom Renovation	1,436,683	1,436,683	420,523	91,088	511,611	925,072
Administration - Generator	109,000	169,000	5,808	115,020	120,828	48,172
WT Dix Hills - Jones 2 - Roof Replacement	667,950	667,950	318,568	17,263	335,831	332,119
District Wide - HALO Sensor Installation	361,500	361,500	14,077	-	14,077	347,423
WT Dix Hills-McGuire 2Electrical Distribution Panel Repl	145,031	220,031	23,479	46,313	69,791	150,240
JEA Dix HillsElectrical Distribution Panel Repl	100,000	530,070	37,029	192,706	229,735	300,335
TaukomasRoof Top Unit Replacement	123,033	123,033	12,592	84,805	97,397	25,636
WT RepublicRoof Sealcoat	95,000	95,000	32,439	-	32,439	62,561
JEA Dix HillsPaving	523,200	523,200	516,684	-	516,684	6,516
WT RepublicPaving	163,500	163,500	123,297	-	123,297	40,203
WT NorthportA/C Systems Replacement	54,500	54,500	17,773	-	17,773	36,727
JEA MelvilleA/C Main Panel Controls Retro-Commissioning	54,500	125,350	42,735	482	43,217	82,133
District WideA/C Systems Replacement	257,816	257,816	-	-	-	257,816
District WideReplace Concrete Curbs/Walks	237,397	237,397	161,607	-	161,607	75,791
JEA MelvilleCeiling Replacement	90,500	90,500	83,502	-	83,502	6,999
WT Dix Hills-McGuire 1Window Replacement	215,000	902,150	21,023	48,787	69,810	832,340
JEA Dix HillsA/C Main Panel Controls Retro-Commissioning	70,850	125,350	65,158	39,052	104,210	21,140
WT Dix Hills-Jones 2 Electrical Ditrubution Panel Replacmnt	105,477	105,477	-	-	-	105,477
JEA Dix Hills Parking Lot Lights	15,000	15,000	5,705	-	5,705	9,295
JEA Melville Parking Lot Lights	15,000	15,000	3,693	-	3,693	11,307
WT Dix Hills Parking Lot Lights	10,000	10,000	5,455	-	5,455	4,545
JEA Dix Hills Electrical Switch	368,445	368,445	12,136	8,115	20,251	348,194
Taukomas Electrical Switch	206,010	206,010	7,038	7,949	14,987	191,023
WT Dix Hills-McGuire 2 Roof Top Unit Replacement	185,300	185,300	6,848	68,550	75,398	109,902
WT Republic Roof Top Unit Replacement	245,250	245,250	-	61,000	61,000	184,250
Taukomas Roof Top Unit Replacement	100,000	100,000	-	-	-	100,000
Administration Roof Replacement	213,276	213,276	13,212	182,331	195,543	17,733
WT Dix Hills Roof Replacement	106,471	106,471	93,179	-	93,179	13,292
M&O Interior Lighting	21,800	21,800	4,304	-	4,304	17,496
WT Northport Paving	100,000	100,000	-	99,990	99,990	10
Administration Boiler Replacement	125,000	141,357	5,701	134,675	140,376	981
JEA Melville Replace Concrete Curbs/Walks	70,461	70,461	-	-	-	70,461
JEA Dix Hills Interior Door Reconstruction	25,000	25,000	24,956	-	24,956	44
JEA Melville Ceiling Replacement	88,290	88,290	46,895	-	46,895	41,395
WT Dix Hills Roof Top Unit Replacement	374,197	374,197	-	76,003	76,003	298,194
WT Dix Hills Window Replacement	272,500	272,500	-	272,500	272,500	-
JEA Dix Hills Roof Replacement	196,200	196,200	-	135,480	135,480	60,720
WT Northport A/C Systems Replacement	1,403,523	1,403,523	-	1,722	1,722	1,401,801
JEA Melville A/C Systems Replacement	503,580	503,580	-	18,989	18,989	484,591
Administration Roof Top Unit Replacement	21,800	21,800	-	21,800	21,800	-
Taukomas Roof Top Unit Replacement	-	-	-	-	-	-
Republic Roof Replacement	-	-	-	-	-	-
District Wide Fire Alarm System Upgrades	75,000	75,000	-	75,000	75,000	-
Chestnut Kitchen Renovations	-	-	-	-	-	-
WT Northport Asphalt Replacement	-	-	-	-	-	-
JEA DH/Mel &WT NP Utility Metering/Logging/Dashboard	-	-	-	-	-	-
WT Northport Electrical/Distrib Shop Replacmnt	16,350	16,350	-	16,350	16,350	-
WT Dix Hills PA System Replacement	640,920	640,920	-	640,920	640,920	-
WT Manor Plains Hot Water Heater Replacement	58,642	58,642	-	58,642	58,642	-
JEA Dix Hills Cooling Tower Upgrade	187,130	187,130	-	187,130	187,130	-
	<u>\$ 26,049,260</u>	<u>\$ 31,129,647</u>	<u>\$ 13,265,493</u>	<u>\$ 3,527,792</u>	<u>\$ 16,793,284</u>	<u>\$ 14,336,363</u>

**WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 234,604,445
Add: Prior year's encumbrances	<u>2,762,290</u>
Original budget	237,366,735
Budget revision: Board resolutions to accept changes in service contracts	<u>37,535,032</u>
Final budget	<u>\$ 274,901,767</u>

The accompanying notes are an integral part of these statements.



# WESTERN SUFFOLK BOARD OF COOPERATIVE EDUCATION SERVICES

## SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS

JUNE 30, 2024

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Capital assets, net	\$ 96,442,320
Deduct:	
Short-term portion of installment purchase debt	5,060,422
Long-term portion of installment purchase debt	7,115,697
Short-term portion of leases payable	602,473
Long-term portion of leases payable	787,169
Short-term portion of SBITA payable	67,592
Long-term portion of SBITA payable	<u>143,062</u>
Net investment in capital assets	<u>\$ 82,665,905</u>

The accompanying notes are an integral part of these statements.

## REQUIRED REPORT

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

January 27, 2025

To the Board of Education of  
Western Suffolk BOCES:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Suffolk Board of Cooperative Education Services (BOCES), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements, and have issued our report thereon dated January 27, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the BOCES' 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 BOCES' internal control. Accordingly, we do not express an opinion on the effectiveness of the BOCES' 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 and significant deficiencies may exist that have not been identified.

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(Continued)

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the BOCES' 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP