

**ORANGE ULSTER BOCES**

**Financial Statements and Required Reports  
Under Government Auditing Standards  
As of and for the year ended June 30, 2024**

**Bonadio & Co., LLP**  
Certified Public Accountants

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## **INDEPENDENT AUDITOR'S REPORT**

October 9, 2024

To the Board of Education of  
Orange Ulster BOCES:

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Orange Ulster BOCES (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 and each major fund of BOCES, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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. 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.

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(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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of the net pension liability (asset), contributions – pension plans, and 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.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Required Supplementary Information (Continued)***

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 Schedule of Account A431 school district, Schedule of Project Expenditures – Capital Projects Fund, Schedule of change from original budget to revised budget – General fund and Schedule of Net Investment in Capital Assets, 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 October 9, 2024 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.

## ORANGE ULSTER BOCES

### MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2024

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*The following is a discussion and analysis of the Orange Ulster BOCES' (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.*

The accounting practices promulgated by the State of New York provide that a BOCES may charge its component districts in advance for the estimated costs of providing services. At year-end, a final accounting is performed and any excess of general fund revenues over expenditures, encumbrances, designations and reserves of fund balance is returned to the component districts. If the final accounting indicates that general fund expenditures, encumbrances, designations and assigned fund balance exceed revenues, the deficiency is billed to the component districts. Thus, BOCES is precluded from having an undesignated fund balance or deficit in its general fund.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year are as follows:

- For the year ended June 30, 2024, total net position was a deficit of \$300,030,265, a decrease in net position of \$3,586,343 from the deficit net position of \$296,443,922 for the year ended June 30, 2023. This decrease is primarily the result of the GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, estimated liability in the school year ended June 30, 2024. This required the BOCES to calculate and record a net other post-employment health care obligations of \$316,446,570 at year end, a decrease of \$10,230,985 from the prior year.
- The BOCES' governmental fund financial statements report a combined ending fund balance of \$38,768,448. Of this amount, \$23,543,551 is assigned to capital projects, \$4,214,497 is restricted for unemployment insurance and retirement contributions, and \$10,909,176 represents general fund reserve for encumbrances.
- The BOCES issued new installment purchase debt during the year.

## 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 Orange Ulster 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 with all other non-major funds listed in total in one column.
- 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.
- *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.

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

**Figure A-1 Organization of the BOCES’ Annual Financial Report**

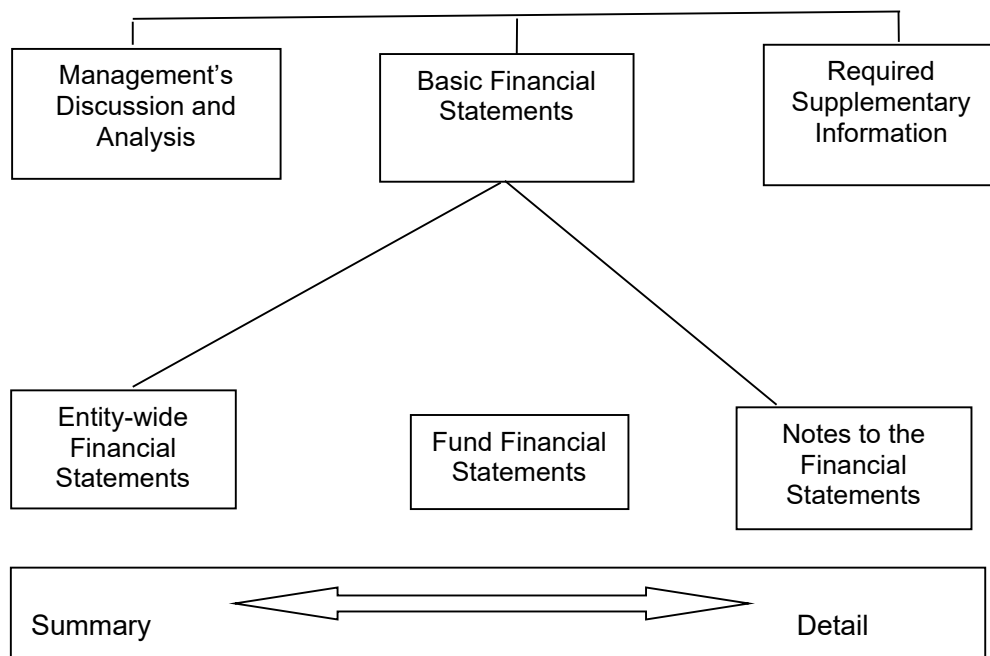


Figure A-2 summarizes the major features of the Orange Ulster BOCES’ financial statements, including a portion of the BOCES’ activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.



## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

**Figure A-2** Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire BOCES (except fiduciary funds)	The activities of the BOCES that are not proprietary or fiduciary, such as special education.	Instances in which the BOCES administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	<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 equity</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>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset & deferred outflow/liability & deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, 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.
Type of inflow/outflow information	All revenue and expenses during the 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.

### Government-Wide Statements

The government-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 and liabilities. 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.

The two government-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.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Government-Wide Statements (Continued)

- To assess the BOCES overall health, you need to consider additional nonfinancial factors, such as changes in the BOCES component districts property tax base and the condition of school buildings and other facilities.

Net position of the governmental activities differ 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:
  - 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.

### Fund Financial Statements

The fund financial statements provide more detailed information about the BOCES funds – not the Orange Ulster 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 one kind of fund:

- *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 government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund 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, special revenue fund and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE

**Figure A-3 Condensed Statement of Net Position (in thousands of dollars)**

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Percent <u>Change</u>
Current and other assets	\$ 92,305	\$ 75,385	22.4%
Non current asset	<u>37,133</u>	<u>36,047</u>	3.0%
Total assets	<u>129,438</u>	<u>111,432</u>	16.2%
Deferred outflows of resources	<u>74,055</u>	<u>90,160</u>	-17.9%
Current liabilities	60,158	49,283	22.1%
Long-term liabilities	<u>339,618</u>	<u>334,655</u>	1.5%
Total liabilities	<u>399,776</u>	<u>383,938</u>	4.1%
Deferred inflows of resources	<u>103,747</u>	<u>114,099</u>	-9.1%
Net position:			
Investment in capital assets	38,950	32,277	20.7%
Restricted	4,279	3,173	34.9%
Unrestricted	<u>(343,260)</u>	<u>(331,894)</u>	3.4%
Total net position	<u>\$ (300,031)</u>	<u>\$ (296,444)</u>	1.2%

#### Changes in Net Position

Net position decreased to (\$300,030,265) for the year ended June 30, 2024, down from the (\$296,443,922) balance for 2023. This resulted primarily from recording an expense for the other post-employment benefits liability of \$11,499,664. In addition, BOCES returned surplus of \$9,045,060 to its component school districts.

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

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

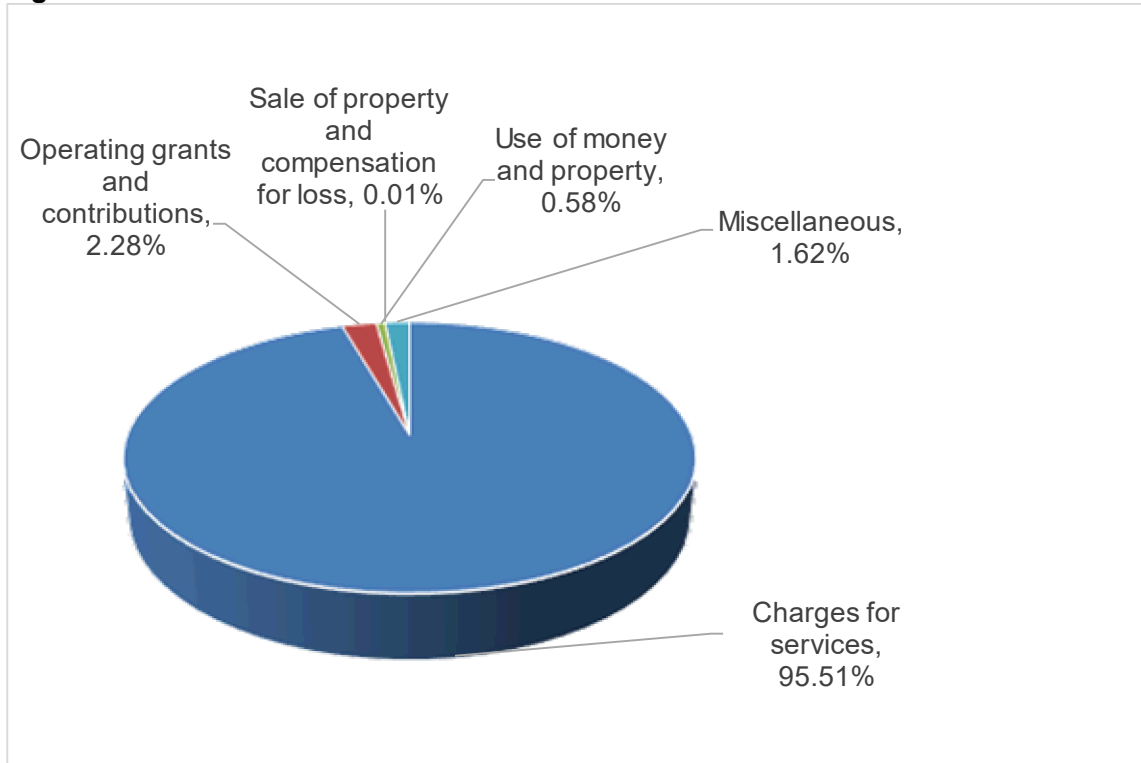
	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Percent <u>Change</u>
<u>Revenue</u>			
Program revenue:			
Charges for services	\$ 215,724	\$ 192,727	11.9%
Operating grants and contributions	5,143	4,962	3.6%
General revenue:			
Use of money and property	1,315	767	71.4%
Sale of property and compensation for loss	26	31	-16.1%
Miscellaneous	<u>3,654</u>	<u>3,040</u>	20.2%
 Total revenue	 <u>225,862</u>	 <u>201,527</u>	 12.1%
<u>Expenses</u>			
Administration	9,702	9,589	1.2%
Occupational instruction	26,751	23,542	13.6%
Instruction for special needs	104,052	97,356	6.9%
Itinerant services	4,767	5,292	-9.9%
General instruction	14,782	13,279	11.3%
Instruction support	27,781	25,643	8.3%
Other services	26,329	22,648	16.3%
Other expenditures	517	33	1466.7%
School lunch program	1,139	1,047	8.8%
Depreciation - unallocated	3,770	3,725	1.2%
Debt service - interest	813	872	0.0%
Return of surplus	<u>9,045</u>	<u>6,682</u>	35.4%
 Total expenses	 <u>229,447</u>	 <u>209,708</u>	 9.4%
 Increase (Decrease) in net position	 <u>\$ (3,585)</u>	 <u>\$ (8,181)</u>	 -56.2%

The BOCES' 2024 revenue was \$225,861,199 compared to the previous year of \$201,527,004 (see Figure A-4).

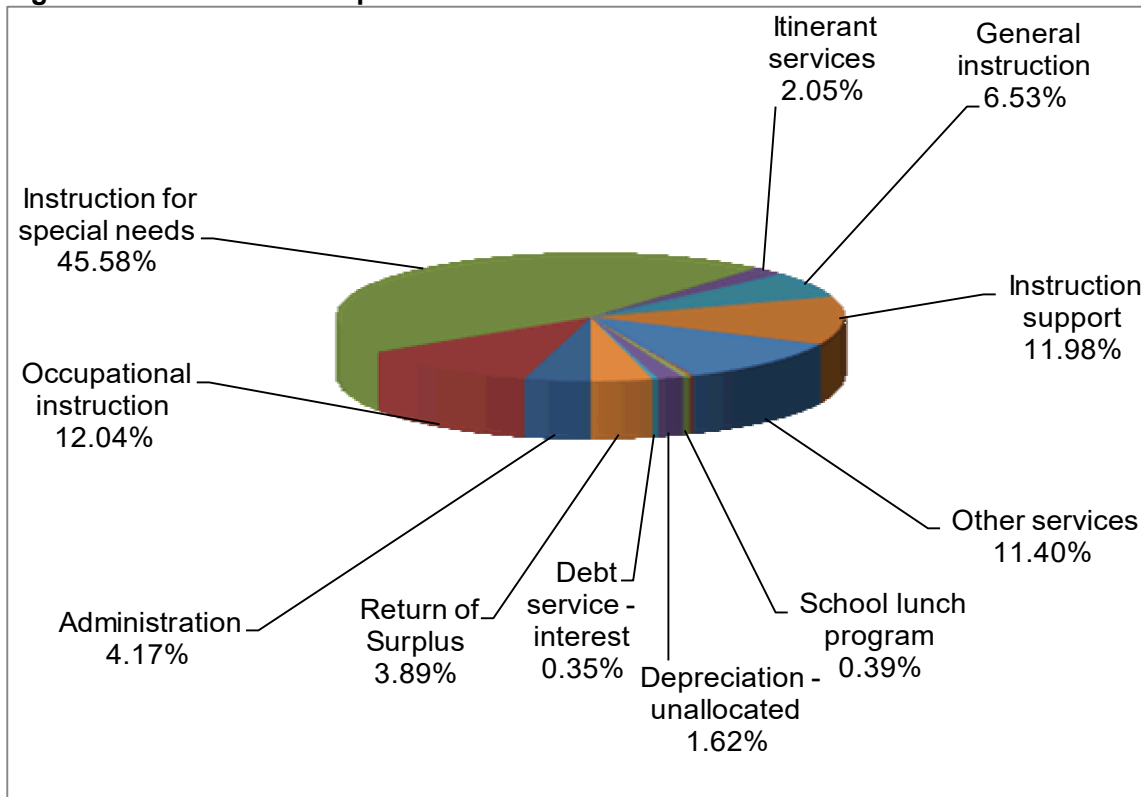
The total cost of all programs and services totaled \$229,447,542 for 2024, compared to \$209,744,806 in the previous year. These expenses are predominantly for the education, supervision, and transportation of students (see Figure A-4).

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

**Figure A-5: Revenue Sources for 2024**



**Figure A-6: Sources of Expenses 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 Orange Ulster 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:* Revenues did not exceed expenditures, prior to surplus returns in the 2023-2024 year as a result of increased service requests, as well as effective cost management. As service requests are accepted, to the extent that fixed costs have already been covered, a small surplus could be generated. If this is the case, the surplus is refunded to participants the following year.

*Special Aid:* By the type of fund, special aid does not generate a fund balance other than certain rate based programs. Revenue received is generally all expended. Total revenues for the current year were \$9,862,826, an increase of \$1,401,898 from the prior year revenues of \$8,460,928. This increase in revenue was primarily attributable to an increase in the charges to components in the amount of \$985,061 and in federal sources in the amount of \$842,280 which was off set by a decrease in state sources of \$603,364.

*School Lunch:* The school lunch fund ended 2023-2024 with a deficit in operating revenue of \$286,083 which was offset by a budgeted interfund transfer from the general fund of \$281,224. This resulted in a Fund Balance of \$20,413 on hand as of June 30, 2024.

*Capital Projects:* The capital projects spending totaled \$2,336,427 in 2023-2024. This left a Fund Balance of \$23,543,551 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.

### Capital Assets

As of June 30, 2024, the BOCES had \$36,379,804 invested in a broad range of capital assets including land, buildings, machinery, equipment and vehicles.

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

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Percent <u>Change</u>
Land	\$ 318	\$ 318	-0.1%
Construction in progress	1,364	226	503.5%
Buildings and improvements	24,303	26,027	-6.6%
Furniture and equipment	8,266	6,617	24.9%
Equipment and furniture	464	412	12.7%
Leased assets	1,640	1,848	-11.2%
Subscription assets	<u>25</u>	<u>52</u>	100.0%
 Total	 <u>\$ 36,380</u>	 <u>\$ 35,500</u>	 2.5%

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

### Long-Term Liabilities

As of June 30, 2024, the BOCES had \$339.7 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>	(In Thousands)	
	<u>Fiscal Year</u> <u>2024</u>	<u>Fiscal Year</u> <u>2023</u>
Installment purchase agreements, current portion	\$ 825	\$ 750
Compensated absences payable	7,537	7,119
Installment purchase agreements, net of current portion	753	547
Lease liability	1,727	1,875
Subscription liability	26	1,327
Net pension liability	12,397	19,446
Total other postemployment benefits liability, net of curren	<u>316,447</u>	<u>306,216</u>
Total	<u>\$ 339,713</u>	<u>\$ 337,280</u>

During the year, BOCES issued installment purchase debt to finance the cost of printers and copiers for the districts.

More detailed information about the BOCES' long-term liabilities is presented in the notes to the financial statements.

### FACTORS BEARING ON THE BOCES' FUTURE

The BOCES receives very little financial assistance directly from the State. The majority of the funds for the BOCES are a result of direct charges to its Component School Districts for educational services rendered. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the BOCES, in any year, the BOCES may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner in this year, or future years, municipalities and school districts in the State, including the BOCES, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the BOCES. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the BOCES requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The BOCES provides quality services to its component districts. Each year, the scope of these services expands to meet the rising expectations for public school districts to achieve higher standards of excellence for all students.

The availability of resources both human and material is critical to our continuing success. We are proud of our accomplishments and the support we received each year from our participating school districts. Our goal is to maintain and improve the quality of our services and safeguard the integrity of our operations.

## **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:

**Orange Ulster BOCES  
Business Office  
53 Gibson Road  
Goshen, New York 10924**



**ORANGE ULSTER BOCES**

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

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

<b>CURRENT ASSETS:</b>	
Cash - unrestricted	\$ 32,996,364
Cash - restricted	4,279,482
Cash - restricted, with fiscal agent	21,041,817
Due from school districts	14,542,485
State and federal aid receivable	17,125,895
Accounts receivable	1,467,797
Due from other governments	31
Lease receivable	830,738
Inventory	<u>20,413</u>
 Total current assets	 <u>92,305,022</u>
<b>NONCURRENT ASSETS:</b>	
Capital assets, undepreciated	1,680,542
Capital assets	82,443,030
Capital assets, accumulated depreciation and amortization	(47,743,768)
Lease receivable, net of current portion	<u>753,270</u>
 Total noncurrent assets	 <u>37,133,074</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred outflows of resources - OPEB	46,859,025
Deferred outflows of resources - pensions ERS	8,281,087
Deferred outflows of resources - pensions TRS	<u>18,915,287</u>
 Total deferred outflows of resources	 <u>74,055,399</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 203,493,495</u></b>

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 9,725,301
Accrued liabilities	2,262,000
Lease liability, current portion	615,661
Subscription liability	25,945
Due to school districts	16,396,345
Due to other governments	63,508
Due to Teachers' Retirement System	4,953,759
Due To Employee Retirement System	883,449
Revenue anticipation note payable	10,412,986
Unearned revenue	226,102
Installment purchase agreements, current portion	824,830
Bonds payable, current portion	6,275,000
Other postemployment benefits liability, current	<u>7,493,471</u>
 Total current liabilities	 <u>60,158,357</u>
<b>LONG-TERM LIABILITIES:</b>	
Bonds payable, net of current portion	8,865,217
Installment purchase agreements, net of current portion	753,272
Lease liability, net of current portion	1,111,775
Compensated absences payable	7,537,288
Net pension liability - ERS	9,770,288
Net pension liability - TRS	2,627,170
Total other postemployment benefits liability, net of current	<u>308,953,099</u>
 Total long-term liabilities	 <u>339,618,109</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows of resources - OPEB	94,820,457
Deferred inflows of resources - Lease	1,828,007
Deferred inflows of resources - pensions ERS	5,670,752
Deferred inflows of resources - pensions TRS	<u>1,428,078</u>
 Total deferred inflows of resources	 <u>103,747,294</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b><u>503,523,760</u></b>

**NET POSITION**

Net investment in capital assets	38,949,921
Restricted	4,279,482
Unrestricted net position	<u>(343,259,668)</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ (300,030,265)</u></b>

The accompanying notes are an integral part of these statements.

# ORANGE ULSTER BOCES

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
<b>FUNCTIONS/PROGRAMS:</b>				
Administration	\$ 9,701,807	\$ 9,771,172	\$ -	\$ 69,365
Occupational instruction	26,750,619	26,941,877	-	191,258
Instruction for special needs	104,052,165	104,796,104	-	743,939
Itinerant services	4,766,560	4,800,639	-	34,079
General instruction	14,782,040	14,887,727	4,333,015	4,438,702
Instruction support	27,781,005	27,979,630	-	198,625
Other services	26,329,212	26,517,457	-	188,245
Other expenses	517,264	-	-	(517,264)
School lunch program	1,138,925	29,064	809,563	(300,298)
Depreciation - unallocated	3,769,628	-	-	(3,769,628)
Debt service - interest	813,257	-	-	(813,257)
Return of Surplus	9,045,060	-	-	(9,045,060)
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<b>\$ 229,447,542</b>	<b>\$ 215,723,670</b>	<b>\$ 5,142,578</b>	<b>(8,581,294)</b>
<b>GENERAL REVENUE:</b>				
Use of money and property				1,315,325
Sale of property and compensation for loss				25,808
Miscellaneous				3,653,818
<b>TOTAL GENERAL REVENUE</b>				<b>4,994,951</b>
<b>CHANGE IN NET POSITION</b>				<b>(3,586,343)</b>
<b>TOTAL NET POSITION - beginning of year</b>				<b>(296,443,922)</b>
<b>TOTAL NET POSITION - end of year</b>				<b>\$ (300,030,265)</b>

The accompanying notes are an integral part of these statements.

**ORANGE ULSTER BOCES**

**BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCE TO GOVERNMENT-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	\$ 25,180,363	\$ 3,785,216	\$ 36,478	\$ 3,994,307	\$ -	\$ 32,996,364
Cash - restricted	4,214,497	-	-	-	64,985	4,279,482
Cash - restricted, held by fiscal agent	-	-	-	21,041,817	-	21,041,817
Due from school districts	14,542,485	-	-	-	-	14,542,485
Due from other funds	5,463,387	-	-	-	-	5,463,387
Due from other governments	31	-	-	-	-	31
State and federal aid receivables	16,397,681	664,988	63,226	-	-	17,125,895
Accounts receivable	1,010,592	457,205	-	-	-	1,467,797
Lease receivable	1,578,100	-	-	-	-	1,578,100
Inventory	-	-	20,413	-	-	20,413
<b>TOTAL ASSETS</b>	<b>\$ 68,387,136</b>	<b>\$ 4,907,409</b>	<b>\$ 120,117</b>	<b>\$ 25,036,124</b>	<b>\$ 64,985</b>	<b>\$ 98,515,771</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 8,851,468	\$ 369,275	\$ 11,985	\$ 492,573	\$ -	\$ 9,725,301
Accrued liabilities	9,694,492	78,117	21,870	-	-	9,794,479
Due to other governments	39,556	23,952	-	-	-	63,508
State aid due to school districts	16,396,345	-	-	-	-	16,396,345
Due to other funds	-	4,397,538	65,849	1,000,000	-	5,463,387
Due to Teachers' Retirement System	4,953,759	-	-	-	-	4,953,759
Due to Employees' Retirement System	883,449	-	-	-	-	883,449
Revenue anticipation note payable	10,412,986	-	-	-	-	10,412,986
Unearned revenue	203,401	22,701	-	-	-	226,102
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred inflows of resources - Lease	1,828,007	-	-	-	-	1,828,007
<b>TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>53,263,463</b>	<b>4,891,583</b>	<b>99,704</b>	<b>1,492,573</b>	<b>-</b>	<b>59,747,323</b>

(Continued)

**ORANGE ULSTER BOCES**

**BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCE TO GOVERNMENT-WIDE NET POSITION (Continued)  
JUNE 30, 2024**

	Governmental Fund Types					Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Special Revenue	
<b>FUND BALANCES</b>						
Nonspendable Inventory	-	-	20,411	-	-	20,411
Restricted	4,214,497	-	-	-	64,985	4,279,482
Assigned	10,909,176	15,826	2	23,543,551	-	34,468,555
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>15,123,673</u>	<u>15,826</u>	<u>20,413</u>	<u>23,543,551</u>	<u>64,985</u>	<u>38,768,448</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 68,387,136</u>	<u>\$ 4,907,409</u>	<u>\$ 120,117</u>	<u>\$ 25,036,124</u>	<u>\$ 64,985</u>	<u>\$ 98,515,771</u>

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balances per above	\$ 38,768,448
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	36,379,804
Deferred outflow of resources related to long-term pension and OPEB activity	74,055,399
Long term liabilities that are not due and payable in the current period are not reported in the funds	
Bonds payable including unamortized premiums	(15,140,217)
Installment purchase agreements	(1,578,102)
Net pension liability - ERS	(9,770,288)
Net pension liability - TRS	(2,627,170)
Total other post-employment benefits liability	(316,446,570)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds	(1,753,381)
Interest payable and receivable at year end is recorded in the government-wide statements under full accrual accounting	1,099
Deferred Inflow of resources related to long-term pension and OPEB activity	<u>(101,919,287)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ (300,030,265)</u>

**ORANGE ULSTER BOCES**

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

	Governmental Fund Types					Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	
REVENUE:						
Charges for services	\$ 1,803,392	\$ 664,352	\$ -	\$ -	\$ -	\$ 2,467,744
Charges to components	183,991,663	4,468,717	-	-	-	188,460,380
Charges to other BOCES	14,469,881	396,742	-	-	-	14,866,623
Charges to non components	11,302,553	-	-	-	-	11,302,553
Interest and earnings	1,071,461	-	1,849	239,411	-	1,312,721
Sale of property and compensation for loss	25,808	-	-	-	-	25,808
Miscellaneous	3,593,613	-	275	-	59,929	3,653,817
State sources	-	2,029,999	17,362	-	-	2,047,361
Federal sources	-	2,303,016	769,602	-	-	3,072,618
Donated food	-	-	22,599	-	-	22,599
Sales - School lunch	-	-	29,064	-	-	29,064
<b>Total revenue</b>	<b>216,258,371</b>	<b>9,862,826</b>	<b>840,751</b>	<b>239,411</b>	<b>59,929</b>	<b>227,261,288</b>
EXPENDITURES:						
Administration	9,435,798	-	-	-	-	9,435,798
Occupational instruction	26,352,709	-	-	-	-	26,352,709
Instruction for special education	101,377,642	-	-	-	-	101,377,642
Itinerant services	4,717,694	-	-	-	-	4,717,694
General instruction	4,822,312	9,866,654	-	-	22,224	14,711,190
Instruction support	27,741,495	-	-	-	-	27,741,495
Other services	25,412,039	-	-	-	-	25,412,039
Other expenditures	-	-	-	-	36,392	36,392
Debt service - principal	691,700	-	-	-	-	691,700
Debt service - interest	59,728	-	-	-	-	59,728
Cost of sales	-	-	1,126,834	-	-	1,126,834
Capital outlay	-	-	-	2,336,427	-	2,336,427
<b>Total expenditures</b>	<b>200,611,117</b>	<b>9,866,654</b>	<b>1,126,834</b>	<b>2,336,427</b>	<b>58,616</b>	<b>213,999,648</b>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<b>15,647,254</b>	<b>(3,828)</b>	<b>(286,083)</b>	<b>(2,097,016)</b>	<b>1,313</b>	<b>13,261,640</b>
OTHER SOURCES AND (USES):						
Operating transfers in	-	-	281,224	6,386,306	-	6,667,530
Proceeds from issuance of debt	-	-	-	15,140,217	-	15,140,217
Return of surplus	(9,045,060)	-	-	-	-	(9,045,060)
Operating transfers out	(6,667,530)	-	-	-	-	(6,667,530)
<b>Total other sources (uses)</b>	<b>(15,712,590)</b>	<b>-</b>	<b>281,224</b>	<b>21,526,523</b>	<b>-</b>	<b>6,095,157</b>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<b>(65,336)</b>	<b>(3,828)</b>	<b>(4,859)</b>	<b>19,429,507</b>	<b>1,313</b>	<b>19,356,797</b>
FUND BALANCES - beginning of year	<b>15,189,009</b>	<b>19,654</b>	<b>25,272</b>	<b>4,114,044</b>	<b>63,672</b>	<b>19,411,651</b>
FUND BALANCES - end of year	<b>\$ 15,123,673</b>	<b>\$ 15,826</b>	<b>\$ 20,413</b>	<b>\$ 23,543,551</b>	<b>\$ 64,985</b>	<b>\$ 38,768,448</b>

The accompanying notes are an integral part of these statements.

## ORANGE ULSTER BOCES

### 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	\$ 19,356,797
Capital outlays, net, are expenditures in governmental funds, but are capitalized in the statement of net position.	4,884,484
Leases and subscription are expenditures in governmental funds, but are capitalized in the statement of net position	519,071
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(3,769,627)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(754,293)
Pension income (expense) resulting from the long-term pension related actuary calculations is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	(4,358,384)
Proceeds from the issuance of long-term debt are recognized as revenue in the governmental funds, but are recorded as a liability in the statement of net position.	(16,197,694)
Premium on the issuance of debt is recognized as revenue in the governmentnal funds, but is recorded as a liability and amortized over the life of the bond	(345,217)
Issuance of long-term lease and subscription liabilities are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	(519,071)
Repayments of long-term lease and subscription liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	695,067
Repayments of long-term debt are recorded as expenditures in the governmental funds,	1,121,904
Accrued post-employment benefits do not require the expenditure of current resources and, therefore are not reported as expenditures in the governmental funds.	<u>(4,219,380)</u>
Change in net position - governmental activities	<u>\$ (3,586,343)</u>

The accompanying notes are an integral part of these statements.

# ORANGE ULSTER BOCES

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024

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

#### **Nature of Operations**

The BOCES provides shared educational programs and services to its component units.

#### **Significant Accounting Policies**

The financial statements of Orange Ulster 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 President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. 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 school district's share of administrative and capital costs is calculated using a 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. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the BOCES business office. The BOCES accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue Fund.

### **Basis of Presentation**

#### Government - Wide 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, while the capital grants column (if any) reflects capital-specific 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. Separate statements for each fund category 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 proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.



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

### Basis of Presentation (Continued)

#### Fund Financial Statements (Continued)

*Miscellaneous Special Revenue Fund:* This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds are included in this fund.

*Capital Projects Funds:* These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

### 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 dates 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 compensated absences, potential contingent liabilities, pension assets and liabilities and useful lives of long-lived assets.

### Measurement Focus and Basis of Accounting

The government-wide 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 ninety days after the end of the 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, compensated absences, other postemployment benefits and long-term pension obligation, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

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

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

**Cash (and Cash Equivalents)/Investments**

The BOCES cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

BOCES' deposits and investment policies are governed by State statutes. BOCES has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. BOCES is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions, and accordingly, the BOCES does not have a specific policy for custodial credit risk.

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.

Custodial credit risk is the risk that in the event of a bank failure, BOCES' deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in BOCES' name. BOCES' aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2024.

**Restricted Cash**

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. Restricted cash as of year-end includes \$4,279,482 within the governmental funds.

**Accounts Receivable**

Receivables include amounts due from other governments, individuals for services provided by BOCES and amounts due from assets leased to others. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate. At the commencement of a lease, the BOCES initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

**Inventory and Prepaid Items**

Inventory 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.

Prepaid items represent payments made by the BOCES for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

**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 with one year. Permanent transfers of funds include the transfer of expenditures and revenue to provide financing or other services.

In the government-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). Eliminations have been made for all interfund receivables and payables between the 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 Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building and improvements	\$ 5,000	SL	20-40
Furniture and equipment	5,000	SL	5-15
Vehicles	5,000	SL	8

Capital assets also include lease 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 sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

The BOCES deferred outflows of resources and deferred inflows of resources in relation to its leases, pension and OPEB obligations. These amounts are detailed in the discussion of the BOCES leases, pension and OPEB plans in Note 6, 11 and 12.

## 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 leases in with the District is the lessor. The deferred inflow of resources is recorded in an 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 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 negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with generally accepted accounting principles, an accrual for accumulated vacation leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates 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.

### **Net Pension Liability/Asset**

The net pension liability/asset represents the BOCES proportionate share of the net pension liability/asset of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

### **Total Other Post-Employment Benefits Liability**

In addition to providing the pension benefits through the New York State Employees' Retirement System and the New York State Teachers' Retirement System, the BOCES provides post-employment health insurance coverage (OPEB) to its retired employees and their survivors and a retirement incentive for eligible employees. The BOCES has retained an actuary to determine the District's total OPEB liability in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The disclosures relating to the BOCES total OPEB liability are reflected in Note 12.

### **Unearned Revenue**

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

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. BOCES has reported unearned revenues of \$203,401 and \$22,701 for amounts received in advance in the General Fund and Special Aid Fund respectively. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

### **Short-Term Debt**

The BOCES may issue Revenue Anticipation Notes (RANs), in anticipation of the receipt of revenue. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The BOCES may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

Payables, accrued liabilities, and long-term obligations are reported in the government-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**

#### Government-Wide Statements

In the government-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.

#### Funds Statements

### **Fund Balance – Reservations and Designations**

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 and prepaid expenditures in the general fund.

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

**Fund Balance – Reservations and Designations**

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. The BOCES has available the following restricted fund balances:

Capital

Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

Repair

Repair reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund under restricted fund balance.

Workers' Compensation

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 under restricted fund balance.

Unemployment Insurance

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 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 under restricted fund balance.

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

Insurance

Insurance reserve is used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated.

There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss

Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves 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, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due to 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. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

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 operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

Committed fund balance – Includes amounts that can 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.

Assigned fund balance – Includes amounts that are constrained by the BOCES' intent to be used for specific purposes, but are neither restricted nor committed. Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as assigned fund balance in all funds other than the general fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$10,909,176.

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

**Fund Balance – Reservations and Designations (Continued)**

As of June 30, 2024, the BOCES' encumbrances were classified as follows:

Administration	\$ 45,256
Occupational instruction	3,598,120
Instruction for special education	3,659,374
Itinerant services	121,072
General instruction	1,364,191
Instruction support	1,623,466
Other services	497,697
Total encumbrances	<u>\$ 10,909,176</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 government-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.

*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 three broad categories.



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

### **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 Debt Transaction Differences**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

## **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 members of the BOCES' board for the General Fund.

Appropriations for educational services are adopted at the program level.

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 unanimously by its voting component school boards.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the BOCES as a result of selected new revenue sources not included in the original budget, (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the BOCES approves them because of a need that exists which was not determined at the time the budget was adopted.

### 3. STEWARDSHIP AND COMPLIANCE (Continued)

#### Budgets (Continued)

The following supplemental appropriations occurred during the year.

Adopted budget	\$166,415,801
Add: Prior year's encumbrances	<u>12,079,574</u>
Original budget	178,495,375
Budget revision: Board resolutions to accept changes in service contracts	<u>39,829,548</u>
Final budget	<u>\$218,324,923</u>

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the previous year.

### 4. CASH AND CASH EQUIVALENTS

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.

The BOCES' aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents	<u>\$ 35,565,293</u>	<u>\$ 37,275,846</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the BOCES' name	\$ 34,918,771	
Covered by FDIC insurance	<u>646,522</u>	
Total	<u>\$ 35,565,293</u>	

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.

#### General fund:

Cash on deposit for reserves:	
Unemployment	\$ 68,499
Retirement	<u>4,145,998</u>
	<u>\$ 4,214,497</u>
Miscellaneous special revenue fund	
Scholarships	\$ 46,551
Extraclass activities	<u>18,434</u>
	<u>\$ 64,985</u>

In addition to the cash balances noted above, the BOCES maintains cash balances with a fiscal agent in the amount of \$21,041,817. The amounts represents the August 2024 debt service payment due on the BOCES DASNY bonds in the amount of \$6,382,472 and net bond proceeds of \$14,659,345. As the BOCES incurs costs, the BOCES will draw down funds from the fiscal agent. This amount is excluded from the BOCES' cash balance subject to collateralization requirements.

## 5. CAPITAL ASSETS

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

	July 1, 2023 Balance	Additions	Deletions	June 30, 2024 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 317,559	\$ -	\$ -	\$ 317,559
Construction in progress	225,392	1,362,983	225,392	1,362,983
Total non-depreciable capital assets	<u>542,951</u>	<u>1,362,983</u>	<u>225,392</u>	<u>1,680,542</u>
Capital assets that are depreciated:				
Buildings and improvements	61,385,377	225,392	-	61,610,769
Furniture and equipment	18,396,683	3,356,413	5,412,664	16,340,432
Vehicles	1,257,397	165,088	36,089	1,386,396
Total depreciable capital assets	<u>81,039,457</u>	<u>3,746,893</u>	<u>5,448,753</u>	<u>79,337,597</u>
Less accumulated depreciation:				
Buildings and improvements	35,358,092	1,950,012	-	37,308,104
Furniture and equipment	11,779,581	1,707,132	5,412,664	8,074,049
Vehicles	845,405	112,483	36,089	921,799
Total accumulated depreciation	<u>47,983,078</u>	<u>3,769,627</u>	<u>5,448,753</u>	<u>46,303,952</u>
Total depreciable capital assets net	<u>33,056,379</u>	<u>(22,734)</u>	<u>-</u>	<u>33,033,645</u>
Total capital assets, net	<u>33,599,330</u>	<u>1,340,249</u>	<u>225,392</u>	<u>34,714,187</u>
Lease assets that are amortized:				
Classrooms	165,519	519,071	144,982	539,608
Buildings	2,767,646	-	279,614	2,488,032
Total amortized leased assets	<u>2,933,165</u>	<u>519,071</u>	<u>424,596</u>	<u>3,027,640</u>
Less accumulated amortization:				
Classrooms	104,870	156,249	144,982	116,137
Buildings	980,081	570,588	279,614	1,271,055
Total accumulated amortization	<u>1,084,951</u>	<u>726,837</u>	<u>424,596</u>	<u>1,387,192</u>
Total amortized lease assets, net	<u>1,848,214</u>	<u>(207,766)</u>	<u>-</u>	<u>1,640,448</u>
Subscription assets that are amortized:				
Subscriptions	77,793	-	-	77,793
Total amortized subscription assets	<u>77,793</u>	<u>-</u>	<u>-</u>	<u>77,793</u>
Less accumulated amortization:				
Subscriptions	25,168	27,456	-	52,624
Total accumulated amortization	<u>25,168</u>	<u>27,456</u>	<u>-</u>	<u>52,624</u>
Total amortized subscription assets, net	<u>52,625</u>	<u>(27,456)</u>	<u>-</u>	<u>25,169</u>
Governmental Activities Capital Assets	<u>\$ 35,500,169</u>	<u>\$ 1,105,027</u>	<u>\$ 225,392</u>	<u>\$ 36,379,804</u>

## 6. LEASES

### Lessee Agreements

The BOCES leases various office and classroom space, primarily from their component districts. Some of the leases do contain renewal options. Leases contain various inception dates and remaining terms of 12-96 months. Lease agreements are summarized as follows:

Description	Interest Rate / Discount Rate	Total Lease Liability
Minisink Valley CSD - Minisink Valley ES	3.54%	\$ 425,954
Pine Island ES	3.54%	114,165
Middlehope ES	3.54%	156,687
Minisink Valley CSD - Minisink Valley MS	2.21%	3,121
Minisink Valley CSD - Minisink Valley HS	2.21%	5,351
Goshen CSD - Main Street Lease	2.21%	356,072
County of Ornage - Maple Building	2.21%	<u>666,086</u>
Total Lease Liability		<u>\$ 1,727,436</u>

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

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amounts due within One Year</u>
\$ 1,874,868	\$ 519,071	\$ 666,503	\$ 1,727,436	\$ 615,661

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 615,661	\$ 40,504	\$ 656,165
2026	360,122	25,370	385,492
2027	211,772	16,685	228,457
2028	178,424	10,253	188,677
2029	87,394	7,106	94,500
2030-2034	<u>274,063</u>	<u>9,438</u>	<u>283,501</u>
	<u>\$ 1,727,436</u>	<u>\$ 109,356</u>	<u>\$ 1,836,792</u>

**6. LEASES (Continued)**

**LESSOR AGREEMENTS**

The BOCES leases out various copiers and equipment, primarily to their component districts. The leases do not contain renewal options. The Leases contain various inception dates and remaining terms of 12-48 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate / Discount Rate</u>	<u>Total Future Receipts</u>
Equipment Schedule No. 88 - Greenwood Lake	5.70%	\$ 69,296
Equipment Schedule No. 87 - Warwick	4.87%	239,469
Equipment Schedule No. 86 - Tuxedo	5.22%	95,862
Equipment Schedule No. 85 - Fallsburg	6.13%	46,024
Equipment Schedule No. 84 - Warwick	5.22%	190,402
Equipment Schedule No. 83 - Washingtonville	4.51%	389,899
Equipment Schedule No. 82 - Middletown	4.65%	104,237
Equipment Schedule No. 80 - Sullivan West	5.12%	15,027
Equipment Schedule No. 81 - Pine Bush	4.63%	115,910
Equipment Schedule No. 79 - Florida	5.59%	30,981
Equipment Schedule No. 78 - Chester	5.21%	43,072
Equipment Schedule No. 77 - Warwick	3.98%	162,690
Equipment Schedule No. 76 - Washingtonville	4.45%	<u>75,231</u>
		<u>\$ 1,578,100</u>

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

<u>Lease-related Revenue</u>	<u>Year Ending 2024</u>
<u>Lease Revenue:</u>	
Equipment	\$ 824,380
Copy Machine	<u>220,031</u>
Total Lease Revenue	1,044,411
Interest Revenue	<u>101,004</u>
Total	<u>\$ 1,145,415</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 824,830	\$ 77,449	\$ 902,279
2026	474,702	37,697	512,399
2027	148,547	13,505	162,052
2028	<u>130,021</u>	<u>6,179</u>	<u>136,200</u>
	<u>\$ 1,578,100</u>	<u>\$ 134,830</u>	<u>\$ 1,712,930</u>

## 7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS

### Subscription Agreements

The BOCES has one subscription. The subscription does not contain renewal options. The subscription has an inception date of August of 2022 and a remaining term of 12 months. The subscription agreement is summarized as follows:

Description	Interest Rate / Discount Rate	Total Subscription Liability
Flex Plan Calling	3.54%	<u>\$ 25,945</u>

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

Beginning Balance	Additions	Subtractions	Ending Balance	Amounts due within One Year
\$ 51,142	\$ -	\$ 25,197	\$ 25,945	\$ 25,945

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

	Principal	Interest	Total
2025	<u>\$ 25,945</u>	<u>\$ 934</u>	<u>\$ 26,879</u>

## 8. SHORT-TERM DEBT

BOCES may issue revenue anticipation notes (RAN) or tax anticipation notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability in the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

BOCES may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

BOCES may issue bond anticipation notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities in the fund that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
RAN	7/21/2023	3.75%	\$ 17,062,031	\$ -	\$ 17,062,031	\$ -
RAN	7/26/2024	4.75%	-	10,412,986	-	10,412,986
			<u>\$ 17,062,031</u>	<u>\$ 10,412,986</u>	<u>\$ 17,062,031</u>	<u>\$ 10,412,986</u>

## 9. LONG-TERM LIABILITIES

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Bonds and notes payable:					
General obligation bonds	\$ -	\$ 14,795,000	\$ -	\$ 14,795,000	\$ 6,275,000
Unamortized bond premiums	-	345,217	-	345,217	-
Installment purchase debt	1,297,312	1,402,694	1,121,904	1,578,102	824,830
Total bonds and notes payable	<u>1,297,312</u>	<u>16,542,911</u>	<u>1,121,904</u>	<u>16,718,319</u>	<u>7,099,830</u>
Other liabilities:					
Compensated absences	7,118,549	418,739	-	7,537,288	-
Net pension liability	19,446,371	-	7,048,913	12,397,458	-
Total other postemployment benefits	<u>306,215,585</u>	<u>23,369,159</u>	<u>13,138,174</u>	<u>316,446,570</u>	<u>7,493,471</u>
Total other liabilities	<u>332,780,505</u>	<u>23,787,898</u>	<u>20,187,087</u>	<u>336,381,316</u>	<u>7,493,471</u>
Total long-term liabilities	<u>\$334,077,817</u>	<u>\$ 40,330,809</u>	<u>\$ 21,308,991</u>	<u>\$353,099,635</u>	<u>\$ 14,593,301</u>

### *Bonds payable*

During 2024, the BOCES issued \$14,795,000 in bonds through the Dormitory Authority of the State of New York as part of a \$158,825,054 capital improvement project consisting of the construction, reconstruction, and renovation of certain buildings, facilities, and sites owned or to be owned by the BOCES. The remaining bonds will be issued in the first half of 2025. Payment of the bonds is to be made by the Comptroller of the State of New York through deductions from any state aid to the BOCES for the ensuing school year. The component school districts of the BOCES are required to pay their share of project costs to the BOCES.

The bond obligations are comprised of the following:

Issue Date	Final Maturity	Interest Rate	Outstanding at year end
6/20/2024	8/15/2044	4.25% - 4.00%	<u>\$ 14,795,000</u>

The following is a summary of the debt service requirements of the bonds:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 6,275,000	\$ 302,322	\$ 6,577,322
2026	260,000	383,200	643,200
2027	275,000	369,825	644,825
2028	290,000	355,700	645,700
2029	305,000	340,825	645,825
2030-2034	1,760,000	1,454,250	3,214,250
2035-2039	2,240,000	813,650	3,053,650
2040-2044	2,765,000	588,119	3,353,119
2045	625,000	13,281	638,281
	<u>\$ 14,795,000</u>	<u>\$ 4,621,172</u>	<u>\$ 19,416,172</u>

**9. LONG-TERM LIABILITIES (Continued)**

*Installment Purchase Debt Payable*

BOCES has entered into various installment purchase agreements to finance the cost of computers and other equipment. The unpaid balance at June 30, 2024 was \$1,578,102. The terms of the agreements provide for the repayment between 36 to 60 months including interest at rates between 1.69% and 3.02%.

The following is a summary of the maturity of installment purchase agreements:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 824,830	\$ 77,439	\$ 902,269
2026	474,702	37,697	512,399
2027	148,547	13,505	162,052
2028	<u>130,023</u>	<u>6,179</u>	<u>136,202</u>
Totals	<u>\$ 1,578,102</u>	<u>\$ 128,641</u>	<u>\$ 1,576,720</u>

*Compensated Absences*

BOCES recognizes a liability for vesting sick leave and other compensated absences with similar characteristics to the extent it is probable that BOCES will compensate the employees for the benefits through cash payments at retirement rather than be taken as absences due to illness or other contingencies.

Through its negotiated contracts with certain employee groups, BOCES offers retirement incentives to eligible employees that make notifications of intent to retire. Employees electing to retire under incentives receive a contractual payout. The liability for these incentives is included in accrued expenses.

**10. INTERFUND BALANCES AND ACTIVITY**

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditure</u>
General fund	\$ 5,463,387	\$ -	\$ -	\$ 6,667,530
Special aid fund	-	4,397,538	-	-
School lunch fund	-	65,849	281,224	-
Capital fund	-	<u>1,000,000</u>	<u>6,386,306</u>	<u>-</u>
Total governmental activities	<u>\$ 5,463,387</u>	<u>\$ 5,463,387</u>	<u>\$ 6,667,530</u>	<u>\$ 6,667,530</u>

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

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.



**11. PENSION PLANS**

New York State and Local Employees Retirement System

The BOCES participates in the New York State and Local Employee’s Retirement System (ERS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of ERS 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 ERS. ERS benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in ERS, 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 27<sup>th</sup>, 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 (ERS) 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 ERS’s’ 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:

	ERS	
2024	\$	2,839,808
2023	\$	2,419,838
2022	\$	3,519,718

**Pension Liability (Asset), 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 \$9,770,288 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 (asset) used to calculate the net pension liability (asset) was determined by the actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability (asset) to March 31, 2024. 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, and 2023, the BOCES’ proportion was 0.0663560% percent and 0.0699533% percent, respectively as measured at March 31, 2024 and 2023, respectively.

## 11. PENSION PLANS (Continued)

### New York State and Local Employees Retirement System (Continued)

#### **Pension Liability (Asset), 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 \$4,262,686. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,147,002	\$ 266,410
Changes of assumptions	3,693,926	-
Net difference between projected and actual earnings on pension plan investments	-	4,772,734
Changes in proportion and differences between the BOCES' contributions and proportionate share of contributions	556,710	631,608
Contributions subsequent to the measurement date	<u>883,449</u>	<u>-</u>
	<u>\$ 8,281,087</u>	<u>\$ 5,670,752</u>

The amount of \$883,449 reported 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 in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### ERS's Year Ended March 31:

2025	\$ (1,778,390)
2026	1,756,461
2027	2,822,397
2028	(1,073,582)
2029	-
Thereafter	<u>-</u>
	<u>\$ 1,726,886</u>

## 11. PENSION PLANS (Continued)

### New York State and Local Employees Retirement System (Continued)

#### **Actuarial Assumptions**

The total pension liability (asset) 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 (asset) to March 31, 2024. The actuarial valuation used the following actuarial assumptions:

Inflation	2.9%
Salary Scale	4.4 % ERS, indexed by service
Investment rate of return, including inflation	5.9% compounded annually, net of investment expenses,
Cost of Living Adjustments	1.5% annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021

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 liability (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 liability (asset) allocation percentage and by adding expected inflation.

The allocation and best estimates of arithmetic real rates of return for each major liability (asset) class as of March 31, 2024 are summarized below:

Asset Type	Target Allocations	Long-Term expected real rate of return
Domestic Equity	32%	4.0%
International Equity	15%	6.5%
Private Equity	10%	7.3%
Real Estate	9%	4.6%
Opportunistic Portfolio	3%	5.3%
Credit	4%	5.4%
Real Assets	3%	5.8%
Fixed Income	23%	1.5%
Cash	1%	0.25%
	100%	

#### **Discount Rate**

The discount rate used to calculate the total pension liability (asset) was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan'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 (asset).

## 11. PENSION PLANS (Continued)

### New York State and Local Employees Retirement System (Continued)

#### **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 5.9%, 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 (4.9%)	Current Rate (5.9%)	1% Increase (4.9%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 30,718,783</u>	<u>\$ 9,770,288</u>	<u>\$ (7,726,052)</u>

#### **Pension Plan Fiduciary Net Position**

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

	<u>Pension plan's fiduciary net position</u>
Total pension liability	\$240,696,851,000
Net position	<u>225,972,801,000</u>
Net pension liability (asset)	<u>\$ 14,724,050,000</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*

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in NYSTRS 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.

## 11. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### *Contributions (Continued)*

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 for the current year and two preceding years were:

	TRS
2024	\$ 4,365,979
2023	\$ 4,022,067
2022	\$ 3,897,438

#### **Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the BOCES reported an liability (asset) of \$2,627,170 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023 **June 30, 2023**, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by the actuarial valuation as of June 30, 2022 with update procedures applied to roll forward the total pension liability (asset) to June 30, 2023. 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 and 2023 the BOCES' proportion was 0.229731 percent and 0.231673 percent, respectively as measured at June 30, 2024 and 2023, respectively.

For the year ended June 30, 2024, the BOCES recognized pension expense of \$7,546,414. 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	\$ 6,370,189	\$ 15,743
Changes of assumptions	5,656,220	1,232,742
Net difference between projected and actual earnings on pension plan investments	1,342,957	-
Changes in proportion and differences between the BOCES' contributions and proportionate share of contributions	592,162	179,593
Contributions subsequent to the measurement date	4,953,759	-
	<u>\$ 18,915,287</u>	<u>\$ 1,428,078</u>

## 11. PENSION PLANS (Continued)

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

The amount of \$4,953,759 reported 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 in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TRS's Year Ended June 30:

2024	\$	1,136,598
2025		(1,270,579)
2026		10,651,796
2027		915,762
2028		696,106
Thereafter		<u>403,767</u>
	\$	<u><u>12,533,450</u></u>

### Actuarial Assumptions

Inflation 2.40%  
Projected Salary Increases Rates of increase differ based on service  
They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs 1.3% compounded annually  
Investment Rate of Return 6.95% compounded annually, net of pension plan investment expense, including inflation.

The total pension liability (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 liability (asset) to June 30, 2024.

These actuarial valuations used the following actuarial assumptions.

## 11. PENSION PLANS (Continued)

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

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on society of Actuaries Scale MP2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2023 actuarial valuation are 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 liability (asset) class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major liability (asset) class included in NYSTRS target liability (asset) allocation as of the valuation date of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Type	Target Allocations	Long-Term expected real rate of return
Domestic Equity	33%	6.8%
International Equity	15%	7.6%
Global equities	4%	7.2%
Real Estate	11%	6.3%
Private Equity	9%	10.1%
Domestic Fixed Income Securities	16%	2.2%
Global Bonds	2%	1.6%
Private debt	2%	6.0%
Real estate debt	6%	3.2%
High Yield Bonds	1%	4.4%
Cash equivalents	1%	0.3%
	100%	

#### Discount Rate

The discount rate used to measure the total pension liability (asset) 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 school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS'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 (asset).

## 11. PENSION PLANS (Continued)

### 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-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.95%)	Current Rate (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 40,013,137</u>	<u>\$ 2,627,170</u>	<u>\$ (28,816,044)</u>

### Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the plan as June 30, 2024, were as follows:

	Pension plan's fiduciary net position
Total pension liability	<u>\$138,365,121,961</u>
Net position	<u>137,221,536,942</u>
Net pension liability (asset)	<u>\$ 1,143,585,019</u>
Fiduciary net position as a percentage of total pension liability	99.17%

## 12. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

### Plans Description

#### Post-Retirement Health Care

The BOCES's Post-Retirement Health Care single-employer defined benefit OPEB plan, which is administered by the BOCES, provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits and eligible requirements determined by the employment contracts negotiated between the BOCES and its employee groups. All employees are eligible if they retire at or after the age of 55 and have between 5 and 15 years of service depending on the employee group. Medical benefits, including pharmaceutical costs are provided through plans whose premiums are based on the benefits paid during the year. The BOCES pays a variable percentage of the cost of premiums which vary between 40 percent and 100 percent depending on the employee group and years of service with surviving spouses contributing 100% of their premiums.

Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the BOCES Board. The plan does not accumulate assets to meet its future obligation and the plan is not administered through a trust or an equivalent arrangement that meets the criteria of GASB 75, paragraph 4. The OPEB plan does not issue a stand-alone financial report.



## 12. OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

### Plans Description (Continued)

#### Post-Retirement Health Care (Continued)

In the governmental funds, the BOCES recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid. Total contributions to the plan to cover the BOCES share of insurance premiums for the year ended June 30, 2024 was \$6,413,919.

#### Retirement Incentive

The BOCES's Retirement Incentive single-employer defined benefit OPEB plan, which is administered by the BOCES, provides a lump sum payment at retirement for eligible retirees. The amount of the lump sum payment and eligible requirements are determined by the employment contracts negotiated between the BOCES and its employee groups. All employees are eligible if they retire at age 55 and have at least 10 years of service. The lump sum payment is formulary and is determined by the employment contracts negotiated between the BOCES and its employee groups.

Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the BOCES Board. The plan does not accumulate assets to meet its future obligation and the plan is not administered through a trust or an equivalent arrangement that meets the criteria of GASB 75, paragraph 4. The Retirement Incentive OPEB plan does not issue a stand-alone financial report.

In the governmental funds, the BOCES recognizes the cost of providing retirement incentives by recording these payments as an expenditure or operating transfer to other funds in the general fund in the year paid. Total payment to the plan to cover the BOCES retirement incentive payments for the year ended June 30, 2024 was \$823,353.

At July 1, 2022, the number of employees covered by BOCES Post-Retirement Health Care Plan and the Retirement Incentive OPEB plans:

	Post-Retirement Health Care	Retirement Incentive
Inactive employees or beneficiaries currently receiving benefits	440	-
Active employees	995	976
Total participants	<u>1,435</u>	<u>976</u>

#### **Total OPEB Liability**

The BOCES total OPEB liability for both its Post-Retirement Health Care and Retirement Incentive Plan was \$316,446,570 and were measured as of June 30, 2023, and were determined by an actuarial valuation as of July 1, 2022. The July 1, 2022 total OPEB liability for both Plans was increased by service cost and interest, decreased by benefits payments and adjusted to reflect any material plan changes to arrive at the total OPEB liability at the measurement date.

## 12. OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

The changes in the OPEB liability are as follows:

	Post-Retirement Health Care	Retirement Incentive	Total
Balance at June 30, 2023	\$ 300,385,801	\$ 5,829,784	\$ 306,215,585
Changes for the Year			
Service cost	11,884,038	339,367	12,223,405
Interest	10,941,813	203,941	11,145,754
Changes of benefit terms	-	-	-
Changes in assumptions or other inputs	(5,655,551)	(33,809)	(5,689,360)
Differences between expected and actual experience	(211,542)	-	(211,542)
Benefit payments	(6,413,919)	(823,353)	(7,237,272)
Net changes	10,544,839	(313,854)	10,230,985
Balance at June 30, 2024	\$ 310,930,640	\$ 5,515,930	\$ 316,446,570

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation for both the Post-Retirement Health Care and the Retirement Incentive Plans was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

The discount rate of 3.65% was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates use MP-2021 Headcount Weighted Mortality Table, Teachers and General Classifications projected generationally with MP-2021.

Health care costs are assumed to increase at the following rates (Post-Retirement Health Care Plan only):

Year	Pre-65	Post-65	EGWP
2022	8.27%	8.85%	1.10%
2023	7.86%	8.39%	1.11%
2024	7.44%	7.92%	4.09%
2025	7.03%	7.44%	7.05%
2026	6.61%	6.96%	7.34%
2027	6.19%	6.48%	7.65%
2028	5.77%	5.99%	6.47%
2029	5.35%	5.49%	6.28%
2030	4.92%	5.00%	6.08%
2031+	4.50%	4.50%	4.50%

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%. Mortality assumption was updated from the RP-2014 Combined Healthy Generational Mortality Table with projection scale MP-2021 from the Central Year to the PUB-2010 Headcount Weighted Mortality Table with projection scale MP-2021 varying based on Bargaining Unit Classification.

**12. OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)**

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

The following presents the total OPEB liability of the BOCES' Post-Retirement and Retirement Incentive Plans, as well as what the BOCES' total OPEB liability for the two Plans 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:

	1% Decrease	Current Discount Rate	1% Increase
Total Post-Retirement Health Care Plan	\$ 368,054,160	\$ 310,930,640	\$ 265,460,839
Total Retirement Incentive Plan	5,826,034	5,515,930	5,212,908
Total OPEB Liability	<u>\$ 373,880,194</u>	<u>\$ 316,446,570</u>	<u>\$ 270,673,747</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' Post-Retirement Health Care Plan, as well as what the BOCES' total OPEB liability of the Post-Retirement Health Care Plan 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:

	1% Decrease	Current Health Care Trend	1% Increase
Total Post-Retirement Health Care Plan	<u>\$ 257,945,899</u>	<u>\$ 310,930,640</u>	<u>\$ 379,993,887</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 \$11,079,607 for the Post-Retirement Health Care Plan and \$420,057 for the Retirement Incentive Plan. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to the Post-Retirement Health Care Plan and the Retirement Incentive Plan from the following sources:

	Post-Retirement Health Care		Retirement Incentive		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 4,437,376	\$ 12,998,798	\$ 957,710	\$ 1,096,689	5,395,086	14,095,487
Changes of assumptions	33,732,953	79,686,560	450,702	1,038,410	34,183,655	80,724,970
Benefit payments subsequent to measurement date	<u>6,745,534</u>	<u>-</u>	<u>534,750</u>	<u>-</u>	<u>7,280,284</u>	<u>-</u>
Total	<u>\$ 44,915,863</u>	<u>\$ 92,685,358</u>	<u>\$ 1,943,162</u>	<u>\$ 2,135,099</u>	<u>\$ 46,859,025</u>	<u>\$ 94,820,457</u>

**12. OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)**

The BOCES recognized \$7,280,284 as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of June 30, 2023, which will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024.

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

Fiscal Year Ending June	Post-Retirement Health Care Plan	Retirement Incentive Plan	Total
2025	\$ (11,746,244)	\$ (123,251)	\$ (11,869,495)
2026	(10,900,518)	(123,251)	(11,023,769)
2027	(6,813,365)	(123,251)	(6,936,616)
2028	(5,720,549)	(123,251)	(5,843,800)
2029	(7,611,023)	(119,995)	(7,731,018)
Thereafter	<u>(11,723,330)</u>	<u>(113,688)</u>	<u>(11,837,018)</u>
	<u>\$ (54,515,029)</u>	<u>\$ (726,687)</u>	<u>\$ (55,241,716)</u>

**13. 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 commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

**Health Insurance**

For its employee health and accident insurance coverage, the BOCES is a participant in the Orange - Ulster School District's Health Plan (Plan), a public entity risk pool operated for the benefit of twenty individual governmental units located within the region. The BOCES pays an annual premium to the Plan for this coverage. The Plan is considered a self-sustaining risk pool that will provide coverage for its members. The BOCES has essentially transferred all related risk to the Plan.

**Workers' Compensation Insurance**

The BOCES participates in a risk-sharing pool, Orange-Ulster School District's Workers' Compensation Plan, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims.

The BOCES is self-insured for claims arising from unemployment benefit cases.

**14. FUND BALANCES**

Portions of fund balances are restricted and not available for current expenses or expenditures as reported in the governmental funds balance sheet.

## **15. 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.

### **Commitments**

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

### **Litigation**

The BOCES has been named as defendant in certain actions. A review by management and the BOCES' attorneys indicate these actions are either fully covered by insurance or not substantial enough to materially affect the financial position of the BOCES.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**ORANGE ULSTER BOCES**

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

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUE</b>					
Administration (001-002)	\$ 16,123,885	\$ 16,123,885	\$ 16,172,136		\$ 48,251
Occupational instruction (100-199)	25,226,864	25,226,864	27,450,588		2,223,724
Instruction for special education (200-299)	78,977,529	78,977,529	106,085,771		27,108,242
Itinerant services (300-399)	3,360,778	3,360,778	4,981,158		1,620,380
General instruction (400-499)	3,773,042	3,773,042	6,280,605		2,507,563
Instruction support (500-599)	26,155,558	26,155,558	29,554,414		3,398,856
Other services (600-699)	<u>12,797,464</u>	<u>12,797,464</u>	<u>25,733,699</u>		<u>12,936,235</u>
Total revenues	<u>166,415,120</u>	<u>166,415,120</u>	<u>216,258,371</u>		<u>49,843,251</u>
<b>EXPENDITURES</b>					
				<u>Encumbrances</u>	<u>Variance with Budgetary Actual and Encumbrances</u>
Administration (001-002)	9,737,577	9,737,697	9,435,798	45,256	256,643
Occupational instruction (100-199)	25,158,890	29,360,772	26,352,709	3,598,120	(590,057)
Instruction for special education (200-299)	78,977,532	102,682,071	101,377,642	3,659,374	(2,354,945)
Itinerant services (300-399)	3,360,779	5,001,750	4,717,694	121,072	162,984
General instruction (400-499)	3,773,044	6,502,709	4,822,312	1,364,191	316,206
Instruction support (500-599)	26,140,002	31,445,499	27,741,495	1,623,466	2,080,538
Other services (600-699)	12,814,313	27,181,580	25,412,039	497,697	1,271,844
Other expenditures (700-799)	(257,642)	(298,461)	-	-	(298,461)
Debt service - principal	-	-	691,700	-	(691,700)
Debt service - interest	-	-	59,728	-	(59,728)
Return of surplus	-	-	9,045,060	-	(9,045,060)
Transfers to other funds	<u>6,711,306</u>	<u>6,711,306</u>	<u>6,667,530</u>	<u>-</u>	<u>43,776</u>
Total expenditures	<u>166,415,801</u>	<u>218,324,923</u>	<u>216,323,707</u>	<u>10,909,176</u>	<u>(8,907,960)</u>
Excess revenue over expenditures (expenditures over revenue)	<u>\$ (681)</u>	<u>\$ (51,909,803)</u>	<u>\$ (65,336)</u>	<u>\$ 10,909,176</u>	<u>\$ 58,751,211</u>

**ORANGE ULSTER BOCES**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0663560%	0.0699533%	0.0710856%	0.0794646%	0.0766570%	0.0813729%	0.0791216%	0.0780812%	0.0771370%	0.0778935%
Proportionate share of the net pension liability (asset)	\$ 9,770.29	\$ 15,000.82	\$ (5,810.95)	\$ 79.13	\$ 20,299.22	\$ 5,765.52	\$ 2,553.61	\$ 7,336.69	\$ 12,380.70	\$ 2,631.40
Covered-employee payroll	\$ 24,616.26	\$ 22,938.99	\$ 22,862.58	\$ 23,225.73	\$ 25,796.27	\$ 24,782.13	\$ 22,892.20	\$ 21,663.40	\$ 20,355.43	\$ 21,795.10
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	39.69%	65.39%	-25.42%	0.34%	78.69%	23.26%	11.15%	33.87%	60.82%	12.07%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	99.95%	96.27%	98.24%	94.70%	90.68%	97.95%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.2297310%	0.2316730%	0.2409480%	0.2449990%	0.2393160%	0.2398370%	0.2365470%	0.2386630%	0.2337670%	0.2391020%
Proportionate share of the net pension liability (asset)	\$ 2,627.17	\$ 4,445.55	\$ (41,753.90)	\$ 6,769.98	\$ (6,217.45)	\$ (4,336.89)	\$ (1,797.99)	\$ 2,556.18	\$ (24,280.90)	\$ (26,634.50)
Covered-employee payroll	\$ 44,307.41	\$ 42,429.34	\$ 41,041.50	\$ 40,896.52	\$ 46,167.58	\$ 39,066.84	\$ 37,484.90	\$ 36,828.13	\$ 35,114.95	\$ 35,319.08
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.93%	10.48%	-101.74%	16.55%	-13.47%	-11.10%	-4.80%	6.94%	-69.15%	-75.41%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.20%	98.60%	113.20%	97.80%	97.76%	101.53%	100.66%	99.01%	110.46%	111.48%



**ORANGE ULSTER BOCES**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Last 10 Plan 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	\$ 2,839.81	\$ 2,491.84	\$ 3,519.72	\$ 3,552.46	\$ 3,385.60	\$ 3,459.98	\$ 3,306.66	\$ 3,162.85	\$ 3,414.12	\$ 3,981.84
Contributions in relation to the contractually required contribution	2,839.81	2,491.84	3,519.72	3,552.46	3,385.60	3,459.98	3,306.66	3,162.85	3,414.12	3,981.84
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 24,616.26	\$ 22,938.99	\$ 22,862.58	\$ 23,225.73	\$ 25,796.27	\$ 23,796.29	\$ 22,029.68	\$ 21,663.40	\$ 19,700.65	\$ 21,795.10
Contributions as a percentage of covered-employee payroll	11.54%	10.86%	15.40%	15.30%	13.12%	14.54%	15.01%	15.02%	17.33%	18.27%

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 4,365.98	\$ 4,022.07	\$ 3,897.44	\$ 3,684.35	\$ 4,242.24	\$ 3,828.55	\$ 4,393.23	\$ 4,883.41	\$ 6,155.65	\$ 5,739.50
Contributions in relation to the contractually required contribution	4,365.98	4,022.07	3,897.44	3,684.35	4,242.24	3,828.55	4,393.23	4,883.41	6,155.65	5,739.50
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 44,307.41	\$ 42,429.34	\$ 41,041.50	\$ 40,896.52	\$ 46,167.58	\$ 39,066.84	\$ 37,484.90	\$ 36,828.13	\$ 35,114.95	\$ 35,319.08
Contributions as a percentage of covered-employee payroll	9.85%	9.48%	9.50%	9.01%	9.19%	9.80%	11.72%	13.26%	17.53%	16.25%

**ORANGE ULSTER BOCES**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (POST-RETIREMENT HEALTH CARE PLAN) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Last Ten Fiscal Years*						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Post-Retirement Health Care Plan							
Service cost	\$ 11,884,038	\$ 20,644,372	\$ 18,437,022	\$ 15,067,191	\$ 13,100,169	\$ 12,726,267	\$ 15,391,826
Interest	10,941,813	8,007,873	7,432,272	10,486,582	10,078,877	9,462,837	8,169,455
Changes of benefit terms	-	-	-	(246,838)	-	-	-
Differences between expected and actual experience	(211,542)	4,978,441	1,021,067	(21,770,487)	(43,284)	(3,848,618)	-
Changes in assumptions	(5,655,551)	(80,269,032)	11,195,581	35,929,880	(4,351,298)	(18,486,771)	(39,214,894)
Benefit payments	(6,413,919)	(6,100,098)	(5,622,472)	(4,960,029)	17,879,094	(3,888,986)	(4,122,868)
Total change in total OPEB liability	10,544,839	(52,738,444)	32,463,470	34,506,299	36,663,558	(4,035,271)	(19,776,481)
OPEB Plan Fiduciary Net Position							
Total OPEB liability - beginning	300,385,801	353,124,245	320,660,775	286,154,476	249,490,918	253,526,189	273,302,670
Total OPEB liability - ending	\$ 310,930,640	\$ 300,385,801	\$ 353,124,245	\$ 320,660,775	\$ 286,154,476	\$ 249,490,918	\$ 253,526,189
Covered-employee payroll	\$ 65,276,431	\$ 52,024,339	\$ 63,484,427	\$ 63,328,986	\$ 68,066,955	\$ 58,774,445	\$ 56,345,972
Total OPEB liability as a percentage of covered-employee payroll	476.3%	577.4%	556.2%	506.3%	420.4%	424.5%	449.9%

Notes to schedule:

Change in significant assumptions:

	Last Ten Fiscal Years*						
	2024	2023	2022	2021	2019	2018	2018
Discount rate	3.65%	3.54%	2.16%	2.21%	3.51%	3.87%	3.58%
Healthcare trend rate:							
Initial rate	7.44%	7.00%	7.35%	7.69%	7.14%	7.51%	7.51%
Decreasing per year	4.10%	0.35%	0.34%	0.35%	0.37%	0.37%	0.43%
Ultimate rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Ultimate rate year	2031	2031	2029	2027	2027	2.02	2.02
Mortality rate	MP 2021	MP 2021	MP 2021	MP 2020	Pub-2010	Pub-2010	RP-2014

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.

\* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**ORANGE ULSTER BOCES**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (RETIREMENT INCENTIVE) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Last Ten Fiscal Years*						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Retirement Incentive Plan							
Service cost	\$ 339,367	\$ 496,923	\$ 463,763	\$ 414,046	\$ 379,371	\$ 380,903	\$ 413,868
Interest	203,941	150,969	138,288	232,723	242,473	265,019	215,374
Changes of benefit terms	-	-	1,103,326	283,631	-	-	-
Differences between expected and actual experience	-	(463,809)	-	(841,315)	221,756	(312,133)	-
Changes in assumptions	(33,809)	(426,897)	(1,326,500)	487,071	(604,750)	(994,345)	(386,852)
Benefit payments	<u>(823,353)</u>	<u>(835,035)</u>	<u>75,502</u>	<u>(672,500)</u>	<u>125,162</u>	<u>(348,350)</u>	<u>(379,327)</u>
Total change in total Retirement incentive liability	(313,854)	(1,077,849)	454,379	(96,344)	364,012	(1,008,906)	(136,937)
OPEB Plan Fiduciary Net Position							
Total liability - beginning	<u>5,829,784</u>	<u>6,907,633</u>	<u>6,453,254</u>	<u>6,549,598</u>	<u>6,185,586</u>	<u>7,194,492</u>	<u>7,331,429</u>
Total liability - ending	<u>\$ 5,515,930</u>	<u>\$ 5,829,784</u>	<u>\$ 6,907,633</u>	<u>\$ 6,453,254</u>	<u>\$ 6,549,598</u>	<u>\$ 6,185,586</u>	<u>\$ 7,194,492</u>
Covered-employee payroll	\$ 65,276,431	\$ 52,024,339	\$ 63,484,427	\$ 63,328,986	\$ 68,066,955	\$ 58,774,445	\$ 56,345,973
Total OPEB liability as a percentage of covered-employee payroll	8.45%	11.21%	10.88%	10.19%	9.62%	10.52%	12.77%

Notes to schedule:

Change in significant assumptions:

	Last Ten Fiscal Years*						
	2024	2023	2022	2021	2020	2019	2018
Discount rate	3.65%	3.54%	2.21%	2.21%	3.51%	3.87%	3.87%
Mortality rate	Pub -2010 `	Pub -2010 `	Pub -2010 `	Pub-2010	Pub-2010	Pub-2010	Pub-2010

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.

\* This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**OTHER INFORMATION (UNAUDITED)**

## ORANGE ULSTER BOCES

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

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July 1, 2023 - Debit (Credit) balance of account A431	\$ 13,582,226
Debits:	
Billings to school districts	210,979,954
Refund of balances due school districts	6,928,669
Encumbrances - June 30, 2024	10,909,176
Other Adjustments	<u>(52)</u>
Total debits	<u>228,817,747</u>
Credits:	
Collections from school districts	206,975,038
Encumbrances - June 30, 2023	12,079,574
Adjustment - credits to school districts - revenue in excess of expenditures	9,052,780
Other Adjustments	<u>(249,904)</u>
Total credits	<u>227,857,488</u>
June 30, 2024 - Debit (Credit) balance of account A431	<u>\$ 14,542,485</u>

**ORANGE ULSTER BOCES**

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

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Waste Water Infrastructure	\$ 2,067,345	\$ 2,067,345	\$ 225,392	\$ -	\$ 225,392	\$ 1,841,953
Arden Hill - Phase III	1,456,633	1,456,633	-	-	-	1,456,633
Chiller/Cooling Tower - Arden	1,988,556	1,988,556	1,969,240	-	1,969,240	-
Electrical System/Equip. Upgrades - CTE	796,142	796,142	-	-	-	796,142
Arden Hill 3rd Floor Reno	2,528,988	2,528,988	-	1,855,555	1,855,555	673,433
Arden Hill Sitework	1,238,685	1,238,685	-	-	-	1,238,685
Arden Hill Bldg 2 Demo	180,264	180,264	-	-	-	180,264
Arden Hill Bldg 3 Demo	180,264	180,264	-	-	-	180,264
Arden Hill North Wing	<u>12,250,700</u>	<u>12,250,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,250,700</u>
<b>Total</b>	<b><u>\$ 22,687,577</u></b>	<b><u>\$ 22,687,577</u></b>	<b><u>\$ 2,194,632</u></b>	<b><u>\$ 1,855,555</u></b>	<b><u>\$ 4,050,187</u></b>	<b><u>\$ 18,618,074</u></b>

**ORANGE ULSTER BOCES**

**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	\$ 166,415,801
Add: Prior year's encumbrances	<u>12,079,574</u>
Original budget	178,495,375
Budget revision: Board resolutions to accept changes in service contracts	<u>39,829,548</u>
Final budget	<u>\$ 218,324,923</u>

## ORANGE ULSTER BOCES

### SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) June 30, 2024

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Capital assets, net		\$ 36,379,804
Add:		
Cash with fiscal agent (unspent bond proceeds)		21,041,817
Deduct:		
Short-term portion of bonds payable	6,275,000	
Long-term portion of bonds payable	8,865,217	
Short-term portion of installment purchase debt	824,830	
Long-term portion of installment purchase debt	753,272	
Short-term portion of lease liability	615,661	
Long-term portion of lease liability	1,111,775	
Short-term portion of subscription liability	<u>25,945</u>	<u>18,471,700</u>
Net investment in capital assets		<u>\$ 38,949,921</u>



**REQUIRED REPORTS UNDER THE GOVERNMENT AUDITING STANDARDS**

**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**

October 9, 2024

To the Board of Education of the  
Orange Ulster 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, and each major fund of Orange Ulster BOCES (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 October 9, 2024.

**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 or significant deficiencies may exist that were not 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.