

***SULLIVAN COUNTY BOARD OF
COOPERATIVE EDUCATIONAL SERVICES***

***FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION***

JUNE 30, 2023

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COOPERATIVE EDUCATIONAL SERVICES
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INDEPENDENT AUDITORS' REPORT

To The Board of Education of the
Sullivan County BOCES
Liberty, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan County Board of Cooperative Educational Services (BOCES), New York, as of and for the year ended June 30, 2023, which collectively comprise the BOCES' basic financial statements as listed in the table of contents, and the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan County BOCES, New York, as of June 30, 2023, and the changes in financial position for the year then ended in conformity 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 Sullivan County BOCES, New York, 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 Sullivan County BOCES's 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.

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 Sullivan County BOCES, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sullivan County BOCES, New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, on pages 5 through 13 and 54 through 59, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sullivan County BOCES, New York's basic financial statements. The accompanying combining and individual nonmajor fund financial statements as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

The prior year summarized comparative information has been derived from the BOCES' June 30, 2022 financial statements and, in our report dated October 5, 2022, we expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023 on our consideration of the Sullivan County BOCES, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 Sullivan County BOCES, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
September 15, 2023

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The following is a discussion and analysis of the Sullivan County Board of Cooperative Educational Services (BOCES) financial performance for the fiscal year ending June 30, 2023. This section is a summary of the BOCES' financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the BOCES' financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Overall, Sullivan BOCES had a successful year and our districts will be receiving a surplus/refund. Sullivan BOCES like other schools throughout the state is still adjusting to some post-covid issues including recruiting staff for a number of positions within the organization. The BOCES worked to expand service options as well as make adjustments to some cosers in an effort to better meet the needs of our component districts. Some of this work included but was not limited to: planning for additional CTE courses (EMT, Fire Sciences and Electrical), expanding instructional support services, developing enhanced cyber security protocols, collaborating with county agencies to meet adult learning needs and continuing to partner with community partners to enhance educational opportunities for K-12 students. In addition, the BOCES continues to address both its short term and long term facilities needs, with the completion of a boiler replacement project at the RPEC campus. Finally, the overall declining enrollment in Sullivan County does continue to challenge the BOCES as well as the school districts who are experiencing the decrease in their student population.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district-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 district-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.

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Figure A-1 summarizes the major features of the BOCES financial statements, including the 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.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds)	The activities of the BOCES that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the BOCES administers resources on behalf of someone else, such as scholarship programs and student activities monies
<i>Required financial statements</i>	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, 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
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

District-Wide Statements

The district-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 revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the BOCES *net positions* and how it has changed. Net position – the difference between the BOCES assets and liabilities – is one way to measure the BOCES financial health or position.

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

In the district-wide financial statements, the BOCES activities are shown as *Governmental activities*: Most of the BOCES basic services are included here, such as regular and special education, general instruction, instructional support services, and administration. Revenues from school districts and grant funds finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the BOCES funds, focusing on its most significant or “major” funds – not the BOCES as a whole. Funds are accounting devices the BOCES uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The BOCES establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).
- The BOCES has two kinds of funds:
 - Governmental Funds: Most of the BOCES basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that 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 you 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 district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
 - Fiduciary Funds: The BOCES is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The BOCES is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The BOCES excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE

As the GASB 34 district-wide reporting requirements did significantly change the financial presentation of the BOCES the last few years, it is important for those reviewing the attached audit to pay particular attention to pages 17 and 18, which analyze the BOCES financial health on a fund basis. The reader will note that these reports, which are more in line with what was presented prior to the implementation of GASB 34, demonstrate that the BOCES financial health is sound.

Revenues were relatively flat over the prior year as participation levels have stabilized post-covid. The BOCES continues to collaborate with its educational partners including SUNY Sullivan and Garnet Health, who provide excellent experiential settings for our students. While BOCES was not eligible to receive direct stimulus funding, we did support our component districts with a variety of services to help meet the needs of Sullivan County students and staff.

The BOCES, along with schools throughout the state, is still having difficulty filling positions at all levels of the organization. The BOCES will be returning a surplus/refund to its districts based on its 2022-2023 year-end financials. This amount is slightly less than the prior year's surplus but is still somewhat larger than anticipated and it also includes a one-month health insurance premium holiday and some staff vacancies that resulted in less expenditures.

Figure A-2
Condensed Statement of Net Position (in Thousands of Dollars)

	Governmental Activities			
	2023	2022	% Change	
Current and Other Assets	30,362	28,105	8.03%	
Net Pension Asset	0	12,280	-100.00%	
Right to Use Asset (Net)	1,040	1,351	-23.02%	
Capital Assets (net of depreciation)	5,457	4,982	9.53%	
Total Assets	36,859	46,718	-21.10%	
Pensions	8,425	8,991	-6.30%	
Total OPEB Liability	4,921	6,027	-18.35%	
Total Deferred Outflow of Resources	13,346	15,018	-11.13%	
Current Liabilities	21,185	20,699	2.35%	
Non-current Liabilities	62,593	73,476	-14.81%	
Total Liabilities	83,778	94,175	-11.04%	
Pensions	743	17,063	-95.65%	
OPEB Liability	28,263	12,144	132.73%	
Total Deferred Inflow of Resources	29,006	29,207	-0.69%	
Net Investment in Capital Assets	5,457	4,982	9.53%	
Restricted	4,383	4,182	4.81%	
Unrestricted	-72,420	-70,810	-2.27%	
Total Net Position	-62,580	-61,646	-1.52%	
<i>Note: Totals may not add due to rounding</i>				

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Figure A-3

Changes in Fund Balance from Operating Results (in Thousands of Dollars)

	Governmental Activities		
	2023	2022	% Change
<i>Revenues</i>			
Program Revenues:			
Charges for Services	56	3	1766.67%
Charges to Components	50,989	51,437	-0.87%
Charges to Other BOCES	3,134	2,754	13.80%
Interest & Earnings	139	7	1885.71%
Miscellaneous	1,209	1,100	9.91%
State Sources	500	334	49.70%
Federal Sources	447	417	7.19%
Sales-School Lunch	2	0	
Total Revenues	56,476	56,052	0.76%
<i>Expenses</i>			
Administration	3,188	4,103	-22.30%
Career and Tech	5,571	4,500	23.80%
Students with Disabilities	19,710	19,570	0.72%
Itinerant Services	885	751	17.84%
General Instruction	3,517	3,082	14.11%
Instructional Support	5,914	6,901	-14.30%
Other Services	5,949	5,173	15.00%
Cost of Sales	134	100	34.00%
Other Expenses	212	211	0.47%
Capital Outlay	826	4	20550.00%
Total Expenses	45,906	44,395	3.40%
Revenues over Expenditures	<u>\$ 10,570</u>	<u>\$ 11,657</u>	-9.32%
Note: Totals may not add due to rounding			

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Figure A-4 Sources of Revenues for Fiscal Year 2023

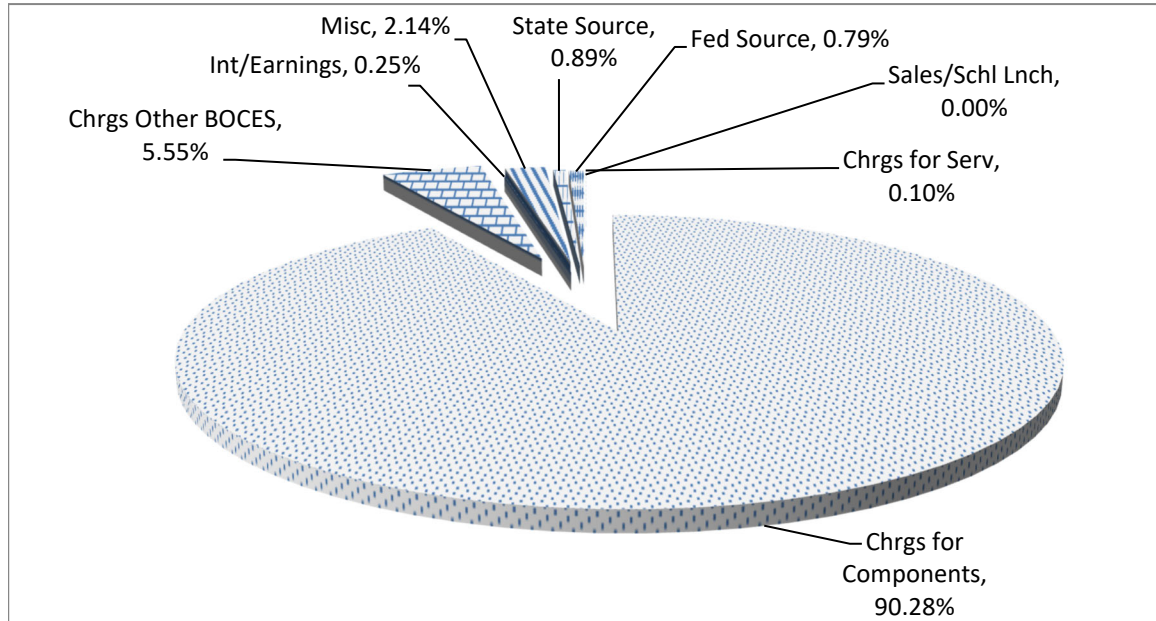
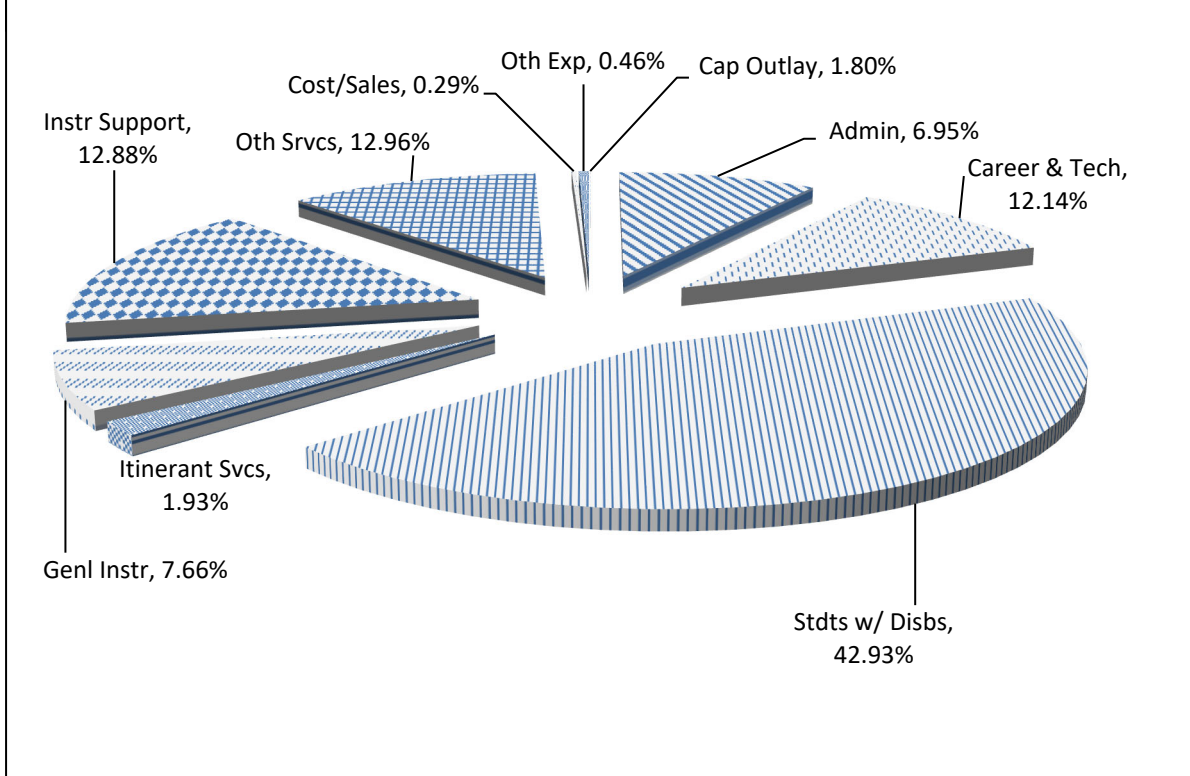


Figure A-5 Expenses for Fiscal Year 2023



Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Governmental Activities

Figure A-6
Net Cost of Governmental Activities (in Thousands of Dollars)

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Administration	3,463	4,147	-16.49%	1,067	516	106.78%
Career and Tech	5,889	4,566	28.98%	770	1,946	60.43%
Students with Disabilities	20,330	19,699	3.20%	6,370	7,559	-15.73%
Itinerant Services	971	765	26.93%	-33	104	131.73%
General Instruction	3,665	3,113	17.73%	443	685	-35.33%
Instruction Support	6,048	6,929	-12.71%	488	-4	-12300.00%
Other Services	6,197	5,210	18.94%	342	523	-34.61%
Debt Service	0	0	0.00%	0	0	0.00%
School Lunch Program	356	322	10.56%	-29	-36	19.44%
Unallocated Depreciation	473	493	-4.06%	-473	-493	4.06%
Return of Surplus	10,081	10,381	-2.89%	-10,081	-10,381	2.89%
Total	\$ 57,473	\$ 55,625	3.32%	\$ (1,136)	\$ 419	371.12%

Explanations: Sullivan BOCES experienced varying program increases and decreases in expenditures from fiscal year 2022 to 2023 based on enrollment and service subscription levels. The Administration expenditures declined as a result of Medicare health insurance premiums decreasing and there was another health insurance premium holiday. Career and Technical education expenses went up due to increased enrollment and instructional equipment purchases. There was a slight increase in special education enrollment and itinerant expenditures all increased due to district services requests. The general education increase was the result of an increase in student enrollment and the instructional support decrease was related to actual district utilization of ISS services. While the increase in management services is attributed to finally securing staffing for vacancies that had been open for an extended period of time.

FINANCIAL ANALYSIS OF THE BOCES FUNDS

An analysis of the general fund budgetary and actual activity The General Fund activities resulted in an overall surplus in the amount of \$10,256,079.

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Acquisitions for Governmental Activities totaled \$1,045,132. The increase in assets represents both building improvements of \$825,400 as well as furniture and equipment totaling \$219,732. Depreciation expense for the 2022-2023 year was \$483,096.

The Sullivan County BOCES Capital Assets total \$ 5,457,405 net of \$ 11,058,813 in accumulated depreciation. The buildings have a net carrying value of \$ 4,516, 058 while equipment/furniture has a net carrying value of \$941,347. It should be noted that the BOCES total assets are relatively low due to the fact that it rents the majority of its facilities.

Figure A-7

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

	Governmental Activities		
	2023	2022	% Change
Construction in Progress	\$ -	\$ -	0.00%
Buildings	4,516	4,112	9.82%
Equipment and Furniture	941	870	8.16%
Total	<u>\$ 5,457</u>	<u>\$ 4,982</u>	9.53%
<i>Note: Totals may not add due to rounding.</i>			

Long-Term Liabilities

Compensated Absences liabilities decreased slightly during the 2022-2023 school the year. The implementation of GASB 87 requires the accounting of leases on annual financial statements. The "Lease Payable" liability is offset by the "Right to Use" assets. The Other Post-Employment Benefits reflect the actuarial valuation of additional year OPEB costs less actual retirement benefits paid within the year. Net Pension Liability represents the adoption of GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Please refer to Note 14 beginning on Page 45 for an explanation of GASB 75.

Figure A-8

Outstanding Long-Term Debt (in Thousands of Dollars)

	Total BOCES		
	2023	2022	% Change
Compensated Absences Payable	\$ 1,460	\$ 1,472	-0.82%
Lease Payable	900	1,040	-13.46%
Other Post-Employment Benefits Payable	54,589	69,473	-21.42%
Net Pension Liability	4,603	-	
Total	<u>\$ 61,552</u>	<u>\$ 71,985</u>	-14.49%

Sullivan County BOCES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

FACTORS BEARING ON THE DISTRICT'S FUTURE

Sullivan BOCES continues to work collaboratively with its component school districts to enhance existing and develop new services in both the instructional and non-instructional divisions of the BOCES. The BOCES Board updated the strategic plan and reviewed the goals accomplished in the 2022-2023 school year. Highlights of the goals achieved include but are not limited to the development of the Diversity, Equity and Inclusion coser, reducing absenteeism in the Career & Tech division, enhancing PBIS services and reducing discipline referrals in special education/alternative education, expanding the human resources coser, increasing the capacity of the BOCES technology staff through additional professional development and updating the long-range facilities plan.

One of the biggest challenges for the BOCES continues to be overall declining enrollment within the County along with the ability to recruit and retain staff in positions throughout the organization. The expansion of the shared human resources coser has helped both the BOCES and school districts that participate in the coser fill a number of staff vacancies.

While overall declining enrollment has presented challenges for some instructional programs, the BOCES Career & Tech program is experiencing growth in enrollment and will be starting two new CTE classes, Electrical Trades and EMT in the upcoming school year. The BOCES will continue to monitor overall declining enrollment throughout the county and look for additional opportunities to share staff and resources.

Technology will remain a growth area for Sullivan BOCES as cyber security is still a concern for school districts nationwide. We will continue to work collaboratively with our component districts to enhance network security efforts and implement recommended strategies that will help mitigate security breaches. The Sullivan BOCES technology team will continue its efforts to work with District colleagues to assess current technology protocols, evaluate current weaknesses, and ensure compliance with all related laws including Ed Law 2-D. Sullivan BOCES continues to experience growth in its technology support services, as district requests have increased.

Sullivan BOCES continues to partner with a number of local and regional agencies including but not limited to: Center for Workforce Development, Garnet Medical Center, Sullivan County Chamber, Sullivan County Partnership, Sullivan 180 and Sullivan Community College. During the 2022-2023 school year the BOCES worked with the Center for Workforce Development to launch an adult education construction trades pilot program. In the upcoming school year, the BOCES will work on developing an adult education welding program.

Sullivan BOCES remains committed to being an innovative, collaborative, county-wide educational organization, providing leadership, high-quality instructional and non-instructional services, along with a variety of other collaborative opportunities for students, staff and the community at large.

CONTACTING THE BOCES FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide the BOCES citizens, taxpayers, customers, investors, and creditors with a general overview of the BOCES finances and to demonstrate the BOCES accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Sullivan County BOCES, 15 Sullivan Avenue, Suite 1W, Liberty, New York 12754.

SULLIVAN COUNTY BOCES
STATEMENT OF NET POSITION
JUNE 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash	\$ 12,435,897	\$ 11,737,173
Cash - Restricted	4,383,185	4,182,043
Accounts Receivable	15,369	18,710
State and Federal Aid Receivable	5,034,488	4,470,962
Due From Other Governments	5,103	5,503
Due From School Districts	8,479,595	7,679,125
Inventory	<u>8,601</u>	<u>11,706</u>
Total Current Assets	<u>30,362,238</u>	<u>28,105,222</u>
Non-Current Assets:		
Net Pension Asset	-	12,280,211
Right To Use Asset, (Net)	1,040,015	1,350,518
Capital Assets,(Net)	<u>5,457,405</u>	<u>4,981,971</u>
Total Non-Current Assets	<u>6,497,420</u>	<u>18,612,700</u>
TOTAL ASSETS	<u>36,859,658</u>	<u>46,717,922</u>
DEFERRED OUTFLOW OF RESOURCES		
Pensions	8,424,598	8,991,324
OPEB Liabilities	<u>4,921,276</u>	<u>6,027,105</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>13,345,874</u>	<u>15,018,429</u>

SEE ACCOMPANYNG NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
STATEMENT OF NET POSITION
JUNE 30,

	<u>2023</u>	<u>2022</u>
LIABILITIES		
Current Liabilities:		
School Districts- Surplus	\$ 12,263,212	\$ 12,788,205
Accounts Payable	812,305	197,142
Accrued Liabilities	121,445	1,443,910
State Aid Due To School Districts	4,818,089	4,310,489
Due To Other Governments	1,519,284	542,846
Due To TRS	1,169,278	1,088,860
Due To ERS	195,344	162,178
Other Liabilities	144,204	20,665
Unearned Revenues	<u>142,246</u>	<u>144,932</u>
Total Current Liabilities	<u>21,185,407</u>	<u>20,699,227</u>
LIABILITIES		
Non-Current Liabilities		
Due Within One Year:		
Lease Payable	262,285	310,503
Total OPEB Liability	900,000	1,180,000
Due Beyond One Year:		
Compensated Absences	1,460,273	1,472,307
Lease Payable	777,730	1,040,015
Total OPEB Liability	54,589,363	69,473,222
Net Pension Liability	<u>4,603,334</u>	<u>-</u>
Total Non-Current Liabilities	<u>62,592,985</u>	<u>73,476,047</u>
TOTAL LIABILITIES	<u>83,778,392</u>	<u>94,175,274</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	743,104	17,062,753
OPEB Liability	<u>28,263,158</u>	<u>12,144,057</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>29,006,262</u>	<u>29,206,810</u>
NET POSITION		
Net Investment in Capital Assets	5,457,405	4,981,971
Restricted	4,383,185	4,182,043
Unrestricted	<u>(72,419,712)</u>	<u>(70,809,747)</u>
TOTAL NET POSITION	<u>\$ (62,579,122)</u>	<u>\$ (61,645,733)</u>

SEE ACCOMPANYNG NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE NET FIGURES FOR THE YEAR ENDED JUNE 30, 2022)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND DONATIONS</u>	<u>2023</u>	<u>2022</u>
FUNCTIONS/PROGRAMS						
Administration	\$ 3,463,044	\$ 4,529,877	\$ -	\$ -	\$ 1,066,833	\$ 516,362
Occupational	5,889,140	6,659,437	-	-	770,297	1,946,364
Instruction for the Handicapped	20,330,043	26,699,848	-	-	6,369,805	7,558,560
Itinerant Services	970,812	937,714	-	-	(33,098)	103,693
General Support	3,665,050	3,903,298	204,943	-	443,191	685,245
Instruction	6,048,261	6,086,980	449,761	-	488,480	(4,416)
Other Services	6,197,121	6,539,095	-	-	341,974	522,886
School Lunch Program	355,620	2,631	323,766	-	(29,223)	(36,270)
Unallocated Depreciation	473,351	-	-	-	(473,351)	(492,956)
Return of Surplus	10,081,079	-	-	-	(10,081,079)	(10,381,073)
TOTAL FUNCTIONS/PROGRAMS	<u>57,473,521</u>	<u>55,358,880</u>	<u>978,470</u>	<u>-</u>	<u>(1,136,171)</u>	<u>418,395</u>
GENERAL REVENUES						
Investment Earnings					<u>202,782</u>	<u>8,498</u>
TOTAL GENERAL REVENUES					<u>202,782</u>	<u>8,498</u>
CHANGE IN NET POSITION					(933,389)	426,893
TOTAL NET POSITION-						
Beginning of Year					<u>(61,645,733)</u>	<u>(62,072,626)</u>
TOTAL NET POSITION-						
End of Year					<u>\$ (62,579,122)</u>	<u>\$ (61,645,733)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2022</u>
ASSETS							
Cash	\$ 9,797,857	\$ 14,830	\$ 30,598	\$ 2,567,791	\$ 24,821	\$ 12,435,897	\$ 11,737,173
Cash - Restricted	3,801,969	-	-	575,499	5,717	4,383,185	4,182,043
Accounts Receivable	14,985	384	-	-	-	15,369	18,710
Due From Other Funds	507,679	-	243,357	1,063,013	-	1,814,049	1,681,797
State and Federal Aid Receivable	4,818,089	158,179	58,220	-	-	5,034,488	4,470,962
Due From School Districts	8,479,595	-	-	-	-	8,479,595	7,679,125
Due From Other Governments	5,103	-	-	-	-	5,103	5,503
Inventories	-	-	8,601	-	-	8,601	11,706
TOTAL ASSETS	<u>\$ 27,425,277</u>	<u>\$ 173,393</u>	<u>\$ 340,776</u>	<u>\$ 4,206,303</u>	<u>\$ 30,538</u>	<u>\$ 32,176,287</u>	<u>\$ 29,787,019</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN COUNTY BOCES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2022</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
School Districts- Surplus	\$ 12,263,212	\$ -	\$ -	\$ -	\$ -	\$ 12,263,212	\$ 12,788,205
Accounts Payable	773,368	37,791	1,146	-	-	812,305	197,142
Accrued Liabilities	1,434,159	5,042	58	-	-	1,439,259	1,443,910
Due to Other Funds	1,306,370	495,095	12,584	-	-	1,814,049	1,681,797
Due to Other Governments	1,519,284	-	-	-	-	1,519,284	542,846
State Aid Due to School Districts	4,818,089	-	-	-	-	4,818,089	4,310,489
Due to TRS	1,169,278	-	-	-	-	1,169,278	1,088,860
Due to ERS	195,344	-	-	-	-	195,344	162,178
Other Liabilities	144,204	-	-	-	-	144,204	20,665
Unearned Revenues	-	142,189	57	-	-	142,246	144,932
TOTAL LIABILITIES	<u>23,623,308</u>	<u>680,117</u>	<u>13,845</u>	<u>-</u>	<u>-</u>	<u>24,317,270</u>	<u>22,381,024</u>
FUND BALANCES							
Non-spendable:							
Inventory	-	-	8,601	-	-	8,601	11,706
Restricted:							
Scholarships	-	-	-	-	5,717	5,717	6,717
Liability Reserve	913,808	-	-	-	-	913,808	824,386
Unemployment Insurance	460,431	-	-	-	-	460,431	452,417
Employee Benefit Accrued Liability	1,246,962	-	-	-	-	1,246,962	1,224,729
Retirement Contributions - NYS ERS	645,008	-	-	-	-	645,008	527,069
Retirement Contributions - NYS TRS	535,760	-	-	-	-	535,760	634,610
CTE Equipment	-	-	-	575,499	-	575,499	512,115
Assigned:							
Unappropriated	-	-	318,330	3,630,804	24,821	3,973,955	3,727,549
Unassigned	-	(506,724)	-	-	-	(506,724)	(515,303)
TOTAL FUND BALANCES	<u>3,801,969</u>	<u>(506,724)</u>	<u>326,931</u>	<u>4,206,303</u>	<u>30,538</u>	<u>7,859,017</u>	<u>7,405,995</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,425,277</u>	<u>\$ 173,393</u>	<u>\$ 340,776</u>	<u>\$ 4,206,303</u>	<u>\$ 30,538</u>	<u>\$ 32,176,287</u>	<u>\$ 29,787,019</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN COUNTY BOCES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
Total Governmental Fund Balances:	\$ 7,859,017	\$ 7,405,995
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at June 30, 2023 are \$16,516,218 and \$11,058,813 respectively.	5,457,405	4,981,971
Leased assets used in governmental activities are expensed in the initial year of the lease term in the governmental funds. In the full accrual financials, the assets are capitalized and amortized over the term of the lease. The cost of leased assets and accumulated amortization at June 30, 2023 are \$1,916,292 and \$876,277, respectively.	1,040,015	1,350,518
Long-term asset and liability associated with the Total OPEB Liability are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	4,921,276	
Deferred Inflows of Resources	(28,263,158)	
Total OPEB Liability	<u>(54,171,549)</u>	(76,770,174)
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	8,424,598	
Net Pension Asset (Liability)	(4,603,334)	
Deferred Inflows of Resources	<u>(743,104)</u>	4,208,782
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds.		
Compensated Absences	(1,460,273)	
Lease Payable	<u>(1,040,015)</u>	<u>(2,822,825)</u>
Net Position Of Governmental Activities	<u>\$ (62,579,122)</u>	<u>\$ (61,645,733)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2022
REVENUES							
Charges for Services	\$ 56,455	\$ -	\$ -	\$ -	\$ -	\$ 56,455	\$ 2,964
Charges to Components	50,989,200	-	-	-	-	50,989,200	51,436,934
Charges to Other BOCES	3,134,141	-	-	-	-	3,134,141	2,753,664
Interest and Earnings	96,180	-	515	42,641	-	139,336	6,801
Miscellaneous	1,176,454	15,570	756	-	15,878	1,208,658	1,100,418
State Sources	-	493,734	6,034	-	-	499,768	333,948
Federal Sources	-	129,522	317,732	-	-	447,254	416,690
Sales - School Lunch	-	-	1,875	-	-	1,875	-
TOTAL REVENUES	55,452,430	638,826	326,912	42,641	15,878	56,476,687	56,051,419
EXPENDITURES							
Administration	3,188,330	-	-	-	-	3,188,330	4,102,873
Occupational	5,571,235	-	-	-	-	5,571,235	4,500,118
Instruction for the Handicapped	19,709,814	-	-	-	-	19,709,814	19,570,190
Itinerant Services	884,803	-	-	-	-	884,803	750,582
General Instruction	3,140,451	376,684	-	-	-	3,517,135	3,081,644
Instructional Support	5,640,624	253,563	-	-	19,562	5,913,749	6,900,608
Other Services	5,949,140	-	-	-	-	5,949,140	5,172,612
Cost of Sales	-	-	133,634	-	-	133,634	100,220
Other Expenses	-	-	212,241	-	-	212,241	210,855
Capital Outlay	-	-	-	826,263	-	826,263	4,275
TOTAL EXPENDITURES	44,084,397	630,247	345,875	826,263	19,562	45,906,344	44,393,977
Excess (Deficiency) of Revenues Over Expenditures	11,368,033	8,579	(18,963)	(783,622)	(3,684)	10,570,343	11,657,442
OTHER FINANCING SOURCES AND (USES)							
Operating Transfers In	52,586	-	163,585	1,000,955	-	1,217,126	999,119
Operating Transfer Out	(1,164,540)	-	(52,586)	-	-	(1,217,126)	(999,119)
Return of Surplus	(10,256,079)	-	-	-	-	(10,256,079)	(10,781,073)
Reserve Fund Revenues	238,445	-	-	-	-	238,445	401,697
Reserve Fund Expenditures	(99,687)	-	-	-	-	(99,687)	(196,577)
TOTAL OTHER SOURCES (USES)	(11,229,275)	-	110,999	1,000,955	-	(10,117,321)	(10,575,953)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	138,758	8,579	92,036	217,333	(3,684)	453,022	1,081,489
FUND BALANCE - Beginning of Year	3,663,211	(515,303)	234,895	3,988,970	34,222	7,405,995	6,324,506
FUND BALANCE - End of Year	\$ 3,801,969	\$ (506,724)	\$ 326,931	\$ 4,206,303	\$ 30,538	\$ 7,859,017	\$ 7,405,995

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN COUNTY BOCES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

Total Net Change in Fund Balances – Governmental Funds		<u>2023</u> \$ 453,022	<u>2022</u> \$ 1,081,489
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.			
Depreciation Expenses	(483,096)		
Capital Outlay	<u>1,045,132</u>	562,036	(344,114)
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when paid amount exceeds the earned amount, the difference is an addition to the reconciliation.			
Compensated Absences		12,034	198,455
Repayments of principal on long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.			
Leases		310,503	437,821
(Increases) decreases in total OPEB liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues of expenditures in the governmental funds.			
Total OPEB Liability		(743,257)	(2,665,206)
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System	(482,447)		
Employees' Retirement System	<u>(648,175)</u>	(1,130,622)	2,157,459

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

In the governmental funds, leased assets are expensed in the initial year of the lease. In the full accrual financials, the asset is capitalized as a "right to use" asset and amortized over the term of the lease.

Amortization Expense	(310,503)	(437,821)
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In the governmental funds, the gross proceeds from disposed assets are reported as revenues. In the statement of activities, the revenues are decreased by the net book value of the disposed asset.

	<u>(86,602)</u>	<u>(1,190)</u>
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Change In Net Position Of Governmental Activities	<u>\$ (933,389)</u>	<u>\$ 426,893</u>
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SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	PRIVATE PURPOSE <u>TRUST FUND</u>
ASSETS	
Cash - Reserved	\$ 9,703,091
Prepaid Expenses	<u>676,124</u>
TOTAL ASSETS	<u>\$ 10,379,215</u>
NET POSITON	
Reserved for Workers Compensation Claims	<u>\$ 10,379,215</u>
TOTAL NET POSITION	<u>\$ 10,379,215</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	PRIVATE PURPOSE <u>TRUST FUND</u>
ADDITIONS:	
Billings To District	\$ 2,302,831
Interest	<u>139,458</u>
TOTAL ADDITIONS	<u>2,442,289</u>
DEDUCTIONS	
Workers' Compensation Net Claims Paid	833,441
Other Expense	<u>366,839</u>
TOTAL DEDUCTIONS	<u>1,200,280</u>
Change in Net Position	1,242,009
NET POSITON - Beginning of Year	<u>9,137,206</u>
NET POSITON - End of Year	<u><u>\$ 10,379,215</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sullivan County Board of Cooperative Educational Services (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.

Certain significant accounting principles and policies utilized by the BOCES are described below:

A. **Financial Reporting Entity**

The BOCES is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions that comprise BOCES operations, and are governed by, or significantly influenced by, the Board of Education.

The Boards of Cooperative Educational Services were established by New York State Legislation in 1948 to enable smaller school districts to offer more breadth in their educational programs by sharing teachers. In 1955, Legislation was passed allowing Boards of Cooperative Educational Services to provide vocational and special education. The Boards of Cooperative Educational Services are voluntary, cooperative associations of school districts in a geographic area that share planning, services, and programs to provide educational and support activities more economically, efficiently, and equitably than could be provided locally. The BOCES provides instructional support programs and services to the following eight school districts in New York's Sullivan County:

1. Eldred Central School District
2. Fallsburg Central School District
3. Liberty Central School District
4. Livingston Manor Central School District
5. Monticello Central School District
6. Roscoe Central School District
7. Sullivan West Central School District
8. Tri-Valley Central School District

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BOCES' programs and services include special education, vocational education, academic and alternative programs, summer school, staff development computer services (management and instructional), educational communication, and cooperative purchasing.

The financial reporting entity consists of the following, as defined by GASB Statement 14, "The Financial Reporting Entity":

1. The primary government, which is the BOCES;
2. Organizations for which the primary government is financially accountable; and
3. 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 general purpose financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement 14, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a summary of certain entities considered in determining the BOCES' reporting entity.

Included in the Reporting Entity:

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. The extraclassroom activity funds are independent of the BOCES with respect to its financial transactions and designation of student management. The activities are reported in the Miscellaneous Special Revenue Fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found within these financial statements.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

I. 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 revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues 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 revenues include 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. Revenues that are not classified as program revenues are presented as general revenues.

II. Fund Financial Statements:

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

The BOCES reports the following major governmental funds:

a. 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.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

1. Special Aid Fund – Special Aid Fund is used to account for special operating projects or programs supported as a whole, or in part, with Federal funds or State or Local Grants.
2. School Lunch Fund – School Lunch Fund is used to account for transactions of lunch, breakfast and milk programs.

c. Capital Projects Fund:

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

The BOCES reports the following non-major governmental fund:

a. Miscellaneous Special Revenue Fund

This fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Additionally, the BOCES reports the following fund types:

a. Fiduciary Fund:

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

Private Purpose Trust Fund

These funds are used to account for trust arrangements in which principal and income benefit third parties and scholarships for students. Established criteria govern the use of the funds and members of the BOCES or representatives of the donors may serve on committees to determine who benefits.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. **Measurement Focus and Basis of Accounting**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are 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. On an accrual basis, 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 revenues are recognized when measurable and available. The BOCES considers all revenues reported in the governmental funds to be available if the revenues are collected within one year 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, and compensated absences, which are reported as expenditures to the extent they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. **Cash and Cash Equivalents**

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.

E. **Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

F. **Inventories**

Inventories of food and/or supplies 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 that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. **Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

H. **Capital Assets**

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at acquisition value at the time received.

Capitalizations 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 BOCES-wide statements are as follows:

	Capitalization <u>Threshold</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>
Buildings	\$ 5,000	Straight-Line	50 Years
Building Improvements	5,000	Straight-Line	25 Years
Site Improvements	5,000	Straight-Line	20 Years
Furniture and Equipment	5,000	Straight-Line	5-15 Years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

I. **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 accumulation sick leave, based on contractual provisions.

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated vacation and sick 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.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the government-wide statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represent a reconciling item between the fund level and government-wide presentations.

BOCES employees participate in the New York State Employees' Retirement System and the New York Teachers' Retirement System. In addition to providing pension benefits, the BOCES provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the BOCES' employees may become eligible for these benefits if they reach retirement age while working for the BOCES. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. Some costs of providing post-retirement benefits are shared between the BOCES and the retired employee. The BOCES recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditures in the year paid. In the government-wide statements, the liability is reported at actuarially calculated amounts (See Note 14).

J. **Budgetary Procedures and Budgetary Accounting**

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 by a majority of its voting component school boards.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year.

Additional Contractual Services to Components and Non-Components	<u>\$ 14,198,310</u>
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Budgets are adopted annually on a basis consistent with GAAP. Appropriations for the year are increased by the amount of encumbrances carried forward from the prior year.

Special Revenue Funds have not been included in the comparison because they do not have legally authorized (appropriated) budgets.

K. **Unearned Revenue**

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the BOCES before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures.

L. **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amount and disclosures. Accordingly, actual results could differ from those estimates.

M. **Equity Classifications**

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the BOCES and determine which classification of net position will be charged.

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

Non-spendable – 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 of \$8,601.

Restricted – 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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The BOCES has established the following restricted fund balances:

Unemployment Insurance

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. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

Used to reserve funds for the payment of any accrued employee benefit due an employee upon termination. The reserve is established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other funds that may be legally appropriated. This reserve is accounted for in the General Fund.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liability Reserve Fund

Used to maintain a program of reserves to cover property and liability claims. The reserve is established by a resolution of the BOCES Board. This reserve is accounted for in the General Fund.

Retirement Contributions

Used to pay contributions to the NYS Employees Retirement System and NYS Teachers Retirement System. This reserve is accounted for in the General Fund.

CTE Equipment

Used to reserve funds for the purchase of equipment for the Career and Technical Education program. The reserve is established by a majority vote of the BOCES' Board and a majority of the component school district boards and expenditures must be approved by the BOCES' Board and the State Education Department. This reserve is accounted for in the Capital Fund.

Scholarships

Proceeds of contributions that are restricted by the donor to the payment of scholarships. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the BOCES' highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Board of Education is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The BOCES has no committed fund balances as of June 30, 2023.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances in the General Fund and appropriated fund balance. The Board of Education is the decision making authority that can, by resolution, assign fund balance. The BOCES reported no encumbrances as assigned fund balance in the General Fund as of June 30, 2023.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the BOCES and then determine the order of application of expenditures to which fund balance classification will be charged.

N. **New Accounting Standards**

The BOCES has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the BOCES implemented the following new standards issued by GASB:

GASB 91 – *Conduit Debt Obligations*.

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending June 30, 2023.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB 96 – *Subscription-Based Information Technology Arrangements*

GASB 99 – *Omnibus 2022*, effective for the year ending June 30, 2023, except for the portion related to financial guarantees and classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending June 31, 2024.

O. **Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, effective for the year ending June 30, 2024.

GASB 101 – *Compensated Absences*, effective for the year ending June 30, 2025.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The BOCES will evaluate the impact of each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

P. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the BOCES's proportion of the collective net pension asset or liability and difference during the measurement period between the BOCES' contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the BOCES contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience. The BOCES reports \$8,424,598 in deferred outflows of resources related to pensions and \$4,921,276 in deferred outflows of resources related to the Total OPEB Liability as of June 30, 2023.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The BOCES has two items that qualify for reporting in this category. The first item is related to pensions reported in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the BOCES' proportion of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the BOCES' contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is related to OPEB reported in the BOCES-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs. The BOCES reports \$743,104 in deferred inflows of resources related to pensions and \$28,263,158 in deferred inflows of resources related to the Total OPEB Liability as of June 30, 2023.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$7,681,494 to unrestricted net position as of June 30, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to the Total OPEB Liability resulted in a net decrease of \$23,341,882 to unrestricted net position as of June 30, 2023.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. **Fund Balance**

The BOCES had a negative fund balance of \$506,724 in the Special Aid Fund at June 30, 2023. The deficit was caused by expenditures in excess of revenues related to the adult education program.

NOTE 3– EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND BOCES-WIDE STATEMENTS

Due to 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.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the BOCES' governmental funds differ 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.

B. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities:

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3– EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL
FUND STATEMENTS AND BOCES-WIDE STATEMENTS (Continued)

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

a. Long-Term Revenue Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues 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.

b. 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.

c. Long-Term Debt Transaction Differences:

Long-term debt transactions 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.

NOTE 4 – CASH AND INVESTMENTS

The BOCES’ investment policies are governed by State statutes. In addition the BOCES has its own written investment policy. BOCES monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, and obligations of New York State or its localities.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – CASH AND INVESTMENTS (continued)

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and states other than New York and their municipalities and school districts.

The BOCES' aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the BOCES' name. \$ 26,066,072

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENT/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Capital assets that are not depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets that are not depreciated	-	-	-	-
Capital assets that are depreciated:				
Buildings and Improvements	12,218,340	825,400	89,702	12,954,038
Furniture and Equipment	<u>3,454,967</u>	<u>219,732</u>	<u>112,519</u>	<u>3,562,180</u>
Total depreciable historical costs	<u>15,673,307</u>	<u>1,045,132</u>	<u>202,221</u>	<u>16,516,218</u>
Less accumulated depreciation:				
Buildings & Improvements	8,105,962	361,935	29,917	8,437,980
Furniture and Equipment	<u>2,585,374</u>	<u>121,161</u>	<u>85,702</u>	<u>2,620,833</u>
Total accumulated depreciation	<u>10,691,336</u>	<u>483,096</u>	<u>115,619</u>	<u>11,058,813</u>
Total historical costs, net	<u>\$ 4,981,971</u>	<u>\$ 562,036</u>	<u>\$ 86,602</u>	<u>\$ 5,457,405</u>
Depreciation was charged to governmental functions as follows:				
School Lunch		\$ 9,745		
Unallocated		<u>473,351</u>		
		<u>\$ 483,096</u>		

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – LIABILITIES

1. Long-Term Debt Interest

There was no interest expense on long-term debt for the year ended June 30, 2023.

2. Changes in Long-Term Debt

The changes in the BOCES' long-term indebtedness during the year ended June 30, 2023 are summarized as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>	<u>AMOUNTS DUE WITHIN ONE YEAR</u>
Compensated Absences	\$ 1,472,307	\$ -	\$ 12,034	\$ 1,460,273	\$ -
Total OPEB Liability	71,941,562	6,531,579	22,983,778	55,489,363	900,000
Lease Payable	<u>1,350,518</u>	<u>-</u>	<u>310,503</u>	<u>1,040,015</u>	<u>262,285</u>
Total Long-Term Liabilities	<u>\$ 74,764,387</u>	<u>\$ 6,531,579</u>	<u>\$ 23,306,315</u>	<u>\$ 57,989,651</u>	<u>\$ 1,162,285</u>

3. Short-Term Debt

The BOCES had no short-term debt activity for the year ended June 30, 2023.

NOTE 7 – INTERFUND BALANCES AND ACTIVITY

	<u>INTERFUND</u>		<u>INTERFUND</u>	
	<u>RECEIVABLE</u>	<u>PAYABLE</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
General Fund	\$ 507,679	\$ 1,306,370	\$ 52,586	\$ 1,164,540
Special Aid Fund	-	495,975	-	-
School Lunch Fund	243,357	12,584	163,585	52,586
Capital Fund	<u>1,063,013</u>	<u>-</u>	<u>1,000,955</u>	<u>-</u>
Total Government Activities	<u>1,814,049</u>	<u>1,814,049</u>	<u>1,217,126</u>	<u>1,217,126</u>
Private Purpose Trust Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fiduciary Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,814,049</u>	<u>\$ 1,814,049</u>	<u>\$ 1,217,126</u>	<u>\$ 1,217,126</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, 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 flows issues.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – PENSION PLANS

General Information

The BOCES participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' System (NYSTRS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer 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.

Plan Descriptions

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 issued 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.

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute, and benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and prior to January 1, 2010, with less than ten years of service, are required to contribute 3% of their salary.

Those joining the NYSERS on or after January 1, 2010 and before April 1, 2012, contribute 3% of their salary throughout their entire working career. Those joining after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, dependent upon their salary, for their entire working career.

Those joining the NYSTRS on or after January 1, 2010 and before April 1, 2012 contribute 3.5% of their salary throughout their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent on their salary, for their entire working career.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – PENSION PLANS (Continued)

For the NYSTRS, employers are required to contribute at an actuarially determined rate, currently 10.29% of the annually covered payroll for the fiscal year ended June 30, 2023. Rates applicable to the fiscal years ended June 30, 2022 and 2021, were 9.80% and 9.53%, respectively. For the NYSERS, the NYS Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>NYSTRS</u>	<u>NYSERS</u>
2023	\$ 1,012,906	\$ 576,817
2022	958,461	717,749
2021	1,012,709	747,272

NOTE 9 – RISK MANAGEMENT

The BOCES is exposed to various risk 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.

A. Risk Financing and Related Insurance

I. Pool, Non-Risk Retained:

The BOCES incurs costs related to an employee health insurance plan (Plan) sponsored by Dutchess County BOCES and its component districts.

The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members for a minimum of five (5) years; a member may withdraw from the plan after that time by providing 180 days' written notice. The Plan was organized for the purpose of providing insurance coverage at a lower rate for members of educational institutions due to a large participation pool.

Accordingly, the Plan reinsures 100 percent of all coverage and does not retain any loss experience. Financial statements for the Plan are available from the administrator at 5 BOCES Road, Poughkeepsie, NY 12601.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – RISK MANAGEMENT (Continued)

II. Pool, Risk-Related Retained:

The BOCES incurs costs related to a workers' compensation insurance plan (Plan) sponsored by itself and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members for a minimum of one (1) year; a member may withdraw from the plan after that time by providing written notice by March 1, prior to the end of the Plan year. Plan's members are subject to a supplemental assessment in the event of deficiencies.

If the Plan's assets were to be exhausted, the members would be responsible for the Plan's liabilities. During the year ended June 30, 2023, the BOCES incurred premiums for contribution expenditures totaling \$357,048.

NOTE 10 – 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 request for a return of funds. Based on prior audits, the BOCES administration believes disallowances, if any, will be immaterial.

NOTE 11 – INVENTORY

Inventory at June 30, 2023 consisted of the following:

	SCHOOL <u>LUNCH FUND</u>
Food & Supplies	<u>\$ 8,601</u>

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 – CHANGE IN FUND EQUITY

The fund equity in the General Fund was decreased by the following for the year ended June 30, 2023:

Revenues in Excess of Expenditures	<u>\$ (10,256,079)</u>
Return of Surplus	(10,256,079)
Increase (decrease) in:	
Reserve for Unemployment	8,014
Reserve for Employee Benefits Accrued Liability	22,233
Reserve for Retirement Contributions - NYSERS	10,398
Reserve for Retirement Contributions - NYSTRS	8,691
Reserve for Liability	<u>89,422</u>
Decrease in Fund Equity	<u>\$ (10,117,321)</u>

NOTE 13 – LEASES

Liabilities

The BOCES has entered into lease agreements that do not qualify as a short term lease or an installment purchase under GASB 87 and, therefore, have been reported as a liability equal to the present value of future minimum lease payments. The BOCES' current leases reported as long term liabilities are as follows:

<u>PURPOSE</u>	<u>START DATE</u>	<u>END DATE</u>	<u>INTEREST RATE</u>	<u>PAYMENT</u>	<u>OUTSTANDING 06/30/23</u>
Office Space	1/1/20	12/1/29	2.00%	\$11,420/month	\$ 862,836
Modular	10/1/19	9/1/24	2.00%	\$11,970/month	<u>177,179</u>
					<u>\$ 1,040,015</u>

The following is a summary of future minimum lease payments:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 262,285	\$ 18,404
2025	160,849	13,824
2026	129,320	11,156
2027	133,650	8,539
2028	138,086	5,817
2029-2030	<u>215,825</u>	<u>3,451</u>
TOTAL	<u>\$ 1,040,015</u>	<u>\$ 61,191</u>

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – LEASES (Continued)

Interest expense on leases consisted of the following:

Interest Paid	\$ 24,174
Less: Interest Accrued In Prior Year	-
Plus: Interest Accrued In Current Year	<u>-</u>
 TOTAL EXPENSE	 <u>\$ 24,174</u>

Right To Use Assets

The BOCES has reported right to use assets as a result of implementing GASB 87. Right to use assets are initially reported at an amount equal to the initial lease liability, and amortized over the life of the related lease.

Right to use asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Right to use assets:				
Leased office space	\$ 1,233,376	\$ -	\$ -	\$ 1,233,376
Leased modular	682,916	-	-	682,916
Leased SCCC Classroom	<u>148,628</u>	<u>-</u>	<u>148,628</u>	<u>-</u>
Total right to use assets	<u>2,064,920</u>	<u>-</u>	<u>148,628</u>	<u>1,916,292</u>
Less accumulated amortization:				
Leased office space	252,034	118,506	-	370,540
Leased modular	367,147	138,590	-	505,737
Leased SCCC Classroom	<u>95,221</u>	<u>53,407</u>	<u>148,628</u>	<u>-</u>
Total Accumulated Amortization	<u>714,402</u>	<u>310,503</u>	<u>148,628</u>	<u>876,277</u>
Right to use assets, net	<u>\$ 1,350,518</u>	<u>\$ (310,503)</u>	<u>\$ -</u>	<u>\$ 1,040,015</u>

Amortization expense was charged to
Governmental functions as follows:

Administration	<u>\$ 310,503</u>
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NOTE 14 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

The BOCES provides post-employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the BOCES' contractual agreements.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

General Information about the OPEB Plan

Plan Description - The healthcare plan is a defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the BOCES. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the BOCES. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided -The BOCES provides healthcare benefits for retirees, their dependents and surviving spouses. The benefit terms and contributions required by retirees vary based on the union contract that governs the employee, and years of service with the BOCES. The BOCES also reimburses the cost of Medicare Part B premiums to both retirees and covered spouses. Retirees and surviving spouses contribute at rates ranging from 50% to 80% of premiums depending on the type of coverage and the individual contractual terms.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	243
Active Employees	<u>166</u>
	<u><u>409</u></u>

Total OPEB Liability

The BOCES' total OPEB liability of \$55,489,363 was measured as of June 30, 2022, using an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	June 30, 2022
Discount Rate	3.54%
Initial Healthcare Cost Trend Rate	8.90%
Ultimate Healthcare Cost Trend Rate	4.50%

The discount rate was based on Bond Buyer 20 GO Bond Index. Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with MP-2021 adjusted for COVID-19 slow recovery.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2022		\$ 71,941,562
Changes for the Year -		
Service Cost	\$ 4,828,129	
Interest	1,645,528	
Changes of Benefit Terms	57,922	
Differences between expended and actual experience	(6,733,774)	
Changes in assumptions or other inputs	(15,067,936)	
Benefit Payments	<u>(1,182,068)</u>	
Net Changes		<u>(16,452,199)</u>
Balance at June 30, 2023		<u>\$ 55,489,363</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 – percentage point higher than the current discount rate:

	1% Decrease <u>(2.54%)</u>	Current Assumption <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Total OPEB Liability	\$ <u>65,609,363</u>	\$ <u>55,489,363</u>	\$ <u>47,424,700</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends Rate – The following presents the total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease <u>1%</u>	Current Assumption <u>3.5%</u>	1% Increase <u>4.5%</u>
Total OPEB Liability	\$ <u>46,606,136</u>	\$ <u>55,489,363</u>	\$ <u>66,945,120</u>

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

For the year ended June 30, 2023, the BOCES recognized OPEB expense of \$1,679,857. At June 30, 2023, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 10,399,689
Changes of assumptions or other inputs	4,014,150	17,863,469
Contributions made subsequent to the measurement date	<u>907,126</u>	<u>-</u>
Total	<u>\$ 4,921,276</u>	<u>\$ 28,263,158</u>

Contributions subsequent to the measurement date of \$907,126, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ (4,851,722)
2025	(4,851,722)
2026	(3,712,044)
2027	(2,506,749)
2028	(2,859,114)
Thereafter	<u>(5,467,657)</u>
TOTAL	<u>\$ (24,249,008)</u>

NOTE 15 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) are included in Note 8 to the financial statements.

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

At June 30, 2023, the BOCES reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The BOCES' proportion of the net pension asset/(liability) was based on a projection of the BOCES' long-term share of contributions

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the BOCES.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2022	June 30, 2021
Net pension asset/(liability)	\$ (3,544,510)	\$ (1,058,824)
BOCES' portion of the Plan's total net pension asset/(liability)	0.0165291%	0.055179%

For the year ended June 30, 2023, the BOCES recognized pension expense of \$1,224,791 for ERS and \$1,494,378 for TRS. At June 30, 2023, the BOCES reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 377,518	\$ 1,109,513	\$ 99,543	\$ 21,217
Changes of assumptions	1,721,443	2,053,939	19,025	426,524
Net difference between projected and actual earnings on pension plan investments	-	1,368,101	20,824	-
Changes in proportion and differences between the BOCES' contributions and proportionate share of contributions	30,468	555,366	141,637	14,334
BOCES' contributions subsequent to the measurement date	<u>195,344</u>	<u>1,012,906</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,324,773</u>	<u>\$ 6,099,825</u>	<u>\$ 281,029</u>	<u>\$ 462,075</u>

BOCES contributions subsequent to the measurement date of \$195,344 for ERS and \$1,012,906 for TRS will be recognized as a reduction of the net pension liability in the year June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 931,954
2024	436,610	528,121
2025	(225,489)	(84,471)
2026	683,738	2,769,165
2027	953,540	422,193
Thereafter	<u>-</u>	<u>57,882</u>
TOTAL	<u>\$ 1,848,399</u>	<u>\$ 4,624,844</u>

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

The total pension liability as of the measurement date was measured by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The valuations used the following significant actuarial assumptions:

	<u>ERS</u>		<u>TRS</u>	
	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Prior Year</u>
Measurement date	March 31, 2023	March 31, 2022	June 30, 2022	June 30, 2021
Actuarial valuation date	April 1, 2022	April 1, 2021	June 30, 2021	June 30, 2020
Interest rate	5.9%	5.9%	6.95%	6.95%
Salary scale	4.4%	4.4%	1.95%-5.18%	1.95%-5.18%
Cost of Living Adjustments	1.5%	1.4%	1.3%	1.3%
Inflation rate	2.9%	2.7%	2.40%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015-March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015-June 30, 2020.

The long term 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 returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Asset Type:		
Domestic Equity	3.30%	6.8%
International Equity	5.85	7.6
Global Bonds	-	.8
Global Equities	-	7.1
Real Estate	5.00	6.5
Domestic fixed income securities	-	1.3
Real Estate Debt	-	3.3
Private Equities	6.50	10.0
Private Debt	-	5.9
High Yield Fixed Bonds	-	3.8
Opportunist Portfolio	4.10	-
Real Assets	5.80	-
Cash Equivalents	(1.00)	(0.2)
Credit	3.78	-

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. 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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the BOCES' proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the BOCES' proportionate share of the net pension asset /(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (8,565,561)	\$ (3,544,510)	\$ 651,162
<u>TRS</u>	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (9,762,852)	\$ (1,058,824)	\$ 6,261,207

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:.

	<u>ERS (in thousands)</u> April 1, 2023	<u>TRS</u> June 30, 2022
Valuation date		
Employers' total pension liability	\$ 232,627,259	\$ 133,883,473,797
Plan Net Position	<u>211,183,223</u>	<u>131,964,582,107</u>
Employer's net pension asset/(liability)	<u>\$ (21,444,036)</u>	<u>\$ (1,918,891,690)</u>
Ration of plan net position to the Employer's total pension asset/(liability)	90.78%	98.6%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30 represent the projected employer contribution for the period of April 1 through June 30 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$195,344.

For TRS, employer and employee contributions for the fiscal year ended June 30 are paid to the System in September, October, and November through a state aid intercept. Accrued retirement contributions as of June 30 represent employee and employer contributions for the fiscal year ended June 30 based on paid TRS wages multiplied by the employer's contribution rate by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$1,169,278.

SULLIVAN COUNTY BOCES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 – EVENTS OCCURRING AFTER REPORTING DATE

The BOCES has evaluated events and transactions that occurred between June 30, 2023 and September 15, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

SULLIVAN COUNTY BOCES
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES- BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2022)

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR REVENUES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2022 ACTUALS</u>
Administration - 001	\$ 3,328,904	\$ 3,328,904	\$ 3,303,987	\$ (24,917)	\$ 3,088,916
Rental And Capital Transfers - 002	1,322,072	1,322,070	1,322,070	-	1,322,072
Occupational Instruction - 100-199	6,491,202	6,610,779	6,659,437	48,658	6,512,564
Instruction for the Handicapped- 200-299	18,108,920	26,531,847	26,699,849	168,002	27,006,418
Itinerant Service - 300-399	870,460	988,441	990,300	1,859	914,781
General Instruction - 400-499	2,485,156	3,767,505	3,903,298	135,793	3,798,272
Instructional Support - 500-599	1,359,320	5,991,718	6,086,980	95,262	6,924,659
Other Services - 600-699	<u>2,102,253</u>	<u>6,113,820</u>	<u>6,539,095</u>	<u>425,275</u>	<u>5,733,282</u>
Total Revenues	<u>36,068,287</u>	<u>54,655,084</u>	<u>55,505,016</u>	<u>849,932</u>	<u>55,300,964</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN COUNTY BOCES
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2022)

EXPENDITURES	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	CURRENT YEAR <u>EXPENDITURES</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	2022 ACTUALS
Administration - 001	\$ 3,328,904	\$ 3,328,904	\$ 2,813,875	\$ 515,029	\$ 2,858,236
Rental And Capital Transfers - 002	1,322,072	1,322,072	1,320,410	1,662	1,244,637
Occupational Instruction - 100-199	6,491,202	6,218,190	5,641,194	576,996	5,290,118
Instruction for the Handicapped- 200-299	18,108,920	22,564,751	19,838,289	2,726,462	19,707,048
Itinerant Service - 300-399	870,460	967,137	884,803	82,334	750,582
General Instruction - 400-499	2,485,156	3,562,971	3,160,602	402,369	2,810,542
Instructional Support - 500-599	1,359,320	6,059,689	5,640,624	419,065	6,686,117
Other Services - 600-699	<u>2,102,253</u>	<u>6,242,883</u>	<u>5,949,140</u>	<u>293,743</u>	<u>5,172,612</u>
Total Expenditures	<u>36,068,287</u>	<u>50,266,597</u>	<u>45,248,937</u>	<u>5,017,660</u>	<u>44,519,892</u>
Excess of Revenues (Expenditures)	<u>\$ -</u>	<u>\$ 4,388,487</u>	<u>\$ 10,256,079</u>		<u>\$ 10,781,072</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN COUNTY BOCES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	\$ 4,828,129	\$ 4,430,318	\$ 3,695,460	\$ 3,219,906	\$ 3,318,655	\$ 4,016,499	\$ 2,842,584
Interest	1,645,528	1,540,117	2,353,646	2,255,339	2,272,926	1,948,119	1,999,207
Changes of Benefit Terms	57,922	-	(19,078)	-	(118,196)	-	-
Differences Between Expected and Actual Experience	(6,733,774)	(166,834)	(4,822,874)	(77,471)	(3,395,956)	-	-
Changes of Assumptions	(15,067,936)	1,327,203	1,623,264	3,864,617	(6,262,794)	(9,221,032)	-
Benefit Payments	<u>(1,182,068)</u>	<u>(890,097)</u>	<u>(970,666)</u>	<u>(948,743)</u>	<u>(908,159)</u>	<u>(915,871)</u>	<u>(966,865)</u>
Net Change in Total OPEB Liability	(16,452,199)	6,240,707	1,859,752	8,313,648	(5,093,524)	(4,172,285)	15,229,520
Beginning Total OPEB Liability	<u>71,941,562</u>	<u>65,700,855</u>	<u>63,841,103</u>	<u>55,527,455</u>	<u>60,620,979</u>	<u>64,793,264</u>	<u>49,563,744</u>
Ending Total OPEB Liability	<u>\$ 55,489,363</u>	<u>\$ 71,941,562</u>	<u>\$ 65,700,855</u>	<u>\$ 63,841,103</u>	<u>\$ 55,527,455</u>	<u>\$ 60,620,979</u>	<u>\$ 64,793,264</u>
Covered Employee Payroll	<u>\$ 14,496,559</u>	<u>\$ 15,059,688</u>	<u>\$ 15,845,777</u>	<u>\$ 16,146,792</u>	<u>\$ 15,718,305</u>	<u>\$ 15,055,107</u>	<u>\$ 14,826,725</u>
Total OPEB Liability as a Percentage of Covered Payroll	382.78%	477.71%	414.63%	395.38%	353.27%	402.66%	437.00%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Changes of Assumptions or Other Inputs

The change in the discount rate is as follows:

June 30, 2022 Measurement Date:	3.54%
June 30, 2021 Measurement Date:	2.16%

Health care claims and cost trend were updated.

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

SULLIVAN COUNTY BOCES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
YEAR ENDED JUNE 30, 2023

<u>TRS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
The BOCES' proportion of the net pension asset (liability)	0.055179%	0.062608%	0.064405%	0.063977%	0.064828%	0.067406%	0.069186%	0.070174%
The BOCES' proportionate share of the net pension asset (liability)	\$ (1,058,824)	\$ 10,849,312	\$ (1,779,691)	\$ 1,662,121	\$ 1,172,261	\$ 512,355	\$ (741,013)	\$ 7,288,850
The BOCES' covered employee payroll	9,780,213	10,626,532	10,931,612	10,678,763	10,559,755	10,681,688	10,676,124	10,541,101
The BOCES' proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	10.83%	102.09%	16.28%	15.56%	11.10%	4.80%	6.94%	69.15%
Plan Fiduciary net position as a percentage of the total pension liability	98.6%	113.20%	97.8%	102.20%	101.53%	100.66%	99.01%	110.46%
<u>ERS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
The BOCES' proportion of the net pension liability	0.0165291%	0.0175041%	0.0189054%	0.0184936%	0.0176983%	0.0169743%	0.0172977%	0.0180071%
The BOCES' asset proportionate share of the net pension asset (liability)	\$ (3,544,510)	\$ 1,430,890	\$ (18,825)	\$ (4,897,210)	\$ (1,253,980)	\$ (547,837)	\$ (1,625,331)	\$ (2,890,186)
The BOCES' covered employee payroll	5,050,282	5,256,516	5,479,086	5,283,923	5,004,626	4,728,311	4,575,315	4,516,823
The BOCES' proportionate share of the net pension liability as a percentage of covered employee payroll	70.18%	27.22%	0.34%	92.68%	25.06%	11.59%	35.52%	63.99%
Plan Fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2023

TRS System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,012,906	\$ 958,461	\$ 1,012,709	\$ 968,541	\$ 1,134,085	\$ 1,034,856	\$ 1,251,894	\$ 1,415,655	\$ 1,847,855	\$ 1,765,428
Contribution in relation to the contractually required contribution	<u>1,012,906</u>	<u>958,461</u>	<u>1,012,709</u>	<u>968,541</u>	<u>1,134,085</u>	<u>1,034,856</u>	<u>1,125,894</u>	<u>1,415,655</u>	<u>1,847,855</u>	<u>1,765,428</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Contribution as a percentage of covered employee payroll	9.45%	9.80%	7.03%	8.86%	10.62%	9.80%	11.73%	13.26%	17.53%	16.25%

ERS System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 576,817	\$ 717,748	\$ 747,272	\$ 721,451	\$ 669,462	\$ 690,351	\$ 729,648	\$ 741,544	\$ 838,174	\$ 863,813
Contribution in relation to the contractually required contribution	<u>576,817</u>	<u>717,748</u>	<u>747,272</u>	<u>721,451</u>	<u>669,462</u>	<u>690,351</u>	<u>729,648</u>	<u>741,544</u>	<u>838,174</u>	<u>863,813</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Contribution as a percentage of covered employee payroll	11.42%	13.65%	13.64%	13.65%	13.38%	14.6%	15.95%	16.42%	18.14%	19.26%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN CUOUNTY BOCES
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>MISCELLANEOUS SPECIAL REVENUE</u>		TOTAL NON MAJOR
	<u>SCHOLARSHIPS</u>	EXTRACLASSROOM <u>ACTIVITIES</u>	GOVERNMENTAL <u>FUNDS</u>
ASSETS			
Cash	\$ -	\$ 24,821	\$ 24,821
Cash-Restricted	<u>5,717</u>	<u>-</u>	<u>5,717</u>
TOTAL ASSETS	<u>\$ 5,717</u>	<u>\$ 24,821</u>	<u>\$ 30,538</u>
LIABILITIES AND FUND BALANCES			
FUND BALANCES			
Restricted:			
Scholarships	\$ 5,717	\$ -	\$ 5,717
Assigned:			
Unappropriated	<u>-</u>	<u>24,821</u>	<u>24,821</u>
TOTAL FUND BALANCES	<u>\$ 5,717</u>	<u>\$ 24,821</u>	<u>\$ 30,538</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

	<u>MISCELLANEOUS SPECIAL REVENUE</u>		TOTAL NON-MAJOR
	<u>SCHOLARSHIPS</u>	EXTRACLASROOM <u>ACTIVITIES</u>	GOVERNMENTAL <u>FUNDS</u>
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Miscellaneous Local Sources	-	15,878	15,878
TOTAL REVENUES	-	15,878	15,878
EXPENDITURES			
Instruction	1,000	18,562	19,562
TOTAL EXPENDITURES	1,000	18,562	19,562
NET CHANGE IN FUND BALANCE	(1,000)	(2,684)	(3,684)
FUND BALANCE - Beginning of Year	6,717	27,505	34,222
FUND BALANCE - End of Year	<u>\$ 5,717</u>	<u>\$ 24,821</u>	<u>\$ 30,538</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
ANALYSIS OF ACCOUNT A431-DUE TO SCHOOL DISTRICTS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

July 1, 2022 – Debit (Credit) Balance	\$ (5,109,080)
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DEBITS

Billings to School Districts	54,123,341	
Refund of Balances Due School Districts	<u>10,781,072</u>	
 Total Debits		 64,904,413

CREDITS

Collections from School Districts	(53,322,871)	
Revenues in Excess of Expenditures	<u>(10,256,079)</u>	
 Total Credits		 <u>(63,578,950)</u>
 June 30, 2023– Debit (Credit) Balance		 <u>\$ (3,783,617)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

Adopted Budget	\$ 36,068,287
Budget Revisions	<u>14,198,310</u>
Final Budget	<u><u>\$ 50,266,597</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN COUNTY BOCES
 SCHEDULE OF PROJECT EXPENDITURES
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2023

<u>PROJECT TITLE</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>I EXPENDITURES I</u>			<u>I METHODS OF FINANCING I</u>			<u>FUND BALANCE 6/30/23</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>UNEXPENDED BALANCE</u>	<u>LOCAL SOURCES</u>	<u>TOTAL</u>	
Building Improvements	\$ 500,000	\$ 1,517,400	\$ 4,954	\$ -	\$ 4,954	\$ 1,512,446	\$ 1,500,000	\$ 1,500,000	\$ 1,495,046
Career Tech Entry And Vestibule	249,000	350,000	33,551	-	33,551	316449	594,978	594,978	561,427
Boiler #769	786,524	945,778	4,275	825,400	829,675	116,103	838,751	838,751	9,076
RPEC Wing Ramp And Roof	659,066	2,996,634	-	<u>863</u>	863	2,995,771	1,566,118	1,566,118	<u>1,565,255</u>
				<u>\$ 826,263</u>					<u>\$ 3,630,804</u>

SEE ACCOMPANYING NOTES AND AUDITORS’ OPINION

SULLIVAN COUNTY BOCES
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2023

Capital Assets, Net	\$ 5,457,405
Less: Outstanding Debt	<u>-</u>
Net Investment In Capital Assets	<u>\$ 5,457,405</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

To the Board of Trustees
Sullivan County Board of
Cooperative Educational Services
Liberty, New York

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan County Board of Cooperative Educational Services (BOCES), New York as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sullivan County BOCES, New York's basic financial statements and have issued our report thereon dated September 15, 2023.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sullivan County BOCES, New York's financial statements are free of 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 determination of financial statement amounts. 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 result 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.

Cooper Arias, LLP

Mongaup Valley, New York
September 15, 2023

INDEPENDENT AUDITORS' REPORT ON
THE FINANCIAL STATEMENTS
OF THE EXTRACLASSTROOM ACTIVITY FUNDS

To the Board of Education
Sullivan County Board of
Cooperative Educational Services
Liberty, New York

Opinions

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis, of the Extraclassroom Activity Funds of the Sullivan County Board of Cooperative Education (BOCES) as of June 30, 2023, and the related statements of cash receipts, disbursements and changes in fund balance – cash basis for the year then ended, and the related notes to the financial statements, which collectively comprise the financial statements of the Extraclassroom Activity Funds of the Sullivan County Board of Cooperative Educational Services (BOCES as listed in the table of contents.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position – cash basis, of the Extraclassroom Activity Funds of the Sullivan County Board of Educational Services (BOCES) as of June 30, 2023, and the changes in financial position – cash basis, for the year then ended in accordance with the basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the entity, 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.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances.

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Management is also responsible 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.

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 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, 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 entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Cooper Arias, LLP

Mongaup Valley, New York
September 15, 2023

SULLIVAN COUNTY BOCES
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE-CASH BASIS
YEAR ENDED JUNE 30, 2023

ASSETS	
Cash	\$ <u>24,821</u>
TOTAL ASSETS	<u>24,821</u>
FUND BALANCE	\$ <u><u>24,821</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE- CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

<u>ACTIVITY</u>	CASH & FUND BALANCE <u>6/30/22</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	CASH & FUND BALANCE <u>6/30/23</u>
Skills USA	\$ 18,016	\$ 15,708	\$ 16,765	\$ 16,959
Core Club	1,956	9	-	1,965
Special Education				
Middle and High School	2,861	12	1,677	1,196
Elementary	<u>4,672</u>	<u>149</u>	<u>120</u>	<u>4,701</u>
TOTALS	<u>\$ 27,505</u>	<u>\$ 15,878</u>	<u>\$ 18,562</u>	<u>\$ 24,821</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN COUNTY BOCES
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – DESCRIPTION OF OPERATIONS

As the Sullivan County Board of Cooperative Educational Services (BOCES), through its Board of Education, has oversight responsibility over the Extraclassroom Activity Funds, such funds are considered a component unit of the Sullivan County BOCES. Accordingly, such transactions are blended with the other Trust Funds of the BOCES in its basic financial statements under the Miscellaneous Special Revenue Funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The books and records of the Sullivan County BOCES' Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles and which may be material in amount, are not recognized in the accompanying financial statements.