

MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS

AND

BASIC FINANCIAL  
STATEMENTS

For the Year Ended  
June 30, 2024

**BROOME TIOGA BOCES  
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**Independent Auditor's Report**

Board of Education  
Broome - Tioga BOCES

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

**Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Broome - Tioga BOCES, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Broome - Tioga BOCES's basic financial statements as listed in the table of contents.

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

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Broome Tioga BOCES, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Broome Tioga 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 Broome Tioga BOCES'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 Broome Tioga BOCES'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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Broome - Tioga BOCES's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information is the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of the Broome - Tioga BOCES's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Broome - Tioga BOCES's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Broome - Tioga BOCES's internal control over financial reporting and compliance.

*D'Arcangelo + Co., LLP*

October 15, 2024

Rome, New York

**BROOME TIOGA BOCES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

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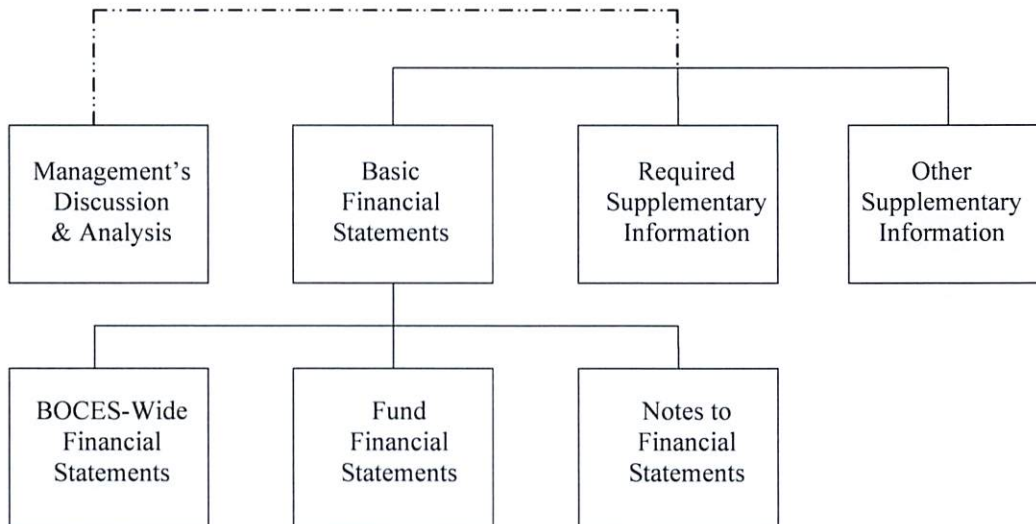
The following is a discussion and analysis of the BOCES' financial performance for the year ended June 30, 2024. This section is a summary of the BOCES' financial activities based on currently known facts, decisions, and conditions. It is also based on both the BOCES-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the BOCES' financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

- The BOCES' total Net Position, as reflected in the BOCES-wide financial statements, increased by \$20,249,250. The primary factor related to the increase was a decrease in other-post employment benefits expense.
- During the year, the BOCES had program revenues in excess of program expenses of \$16,002,598.
- Program revenues included \$157,081,919 in Charges for Services and \$2,037,504 in Operating Grants and Contributions, which together comprise approximately 97% of total revenues.
- BOCES total General Fund revenue for 2024 was \$164,152,436. Approximately 94% of these revenues are from the billings for service programs to components and to other BOCES and Non-Components.
- The BOCES is required to return surplus billings in the subsequent year. During 2024-2025, the surplus of \$6,153,999 from the 2023-2024 year will be returned. During 2023-2024, the surplus of \$5,062,995 from the prior year was returned.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts: MD&A (this section), the financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of BOCES-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements is as follows:





**BROOME TIOGA BOCES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2024**

(Continued)

- The first two statements are BOCES-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 BOCES-wide statements. The fund financial statements concentrate on the BOCES' most significant funds.
- The governmental funds statements disclose 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.

***BOCES-Wide Statements***

The BOCES-wide statements report information about the BOCES as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the BOCES' assets, deferred outflows, liabilities, and deferred inflows. 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 BOCES-wide statements report the BOCES' Net Position and how they have 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, consider additional nonfinancial factors such as changes in the BOCES' contracts with component school districts and the condition of BOCES' buildings and other facilities.

In the BOCES-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, instructional support, and administration. Charges for Services 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 use to keep track of specific sources of funding and spending on particular programs:

- Certain 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 types of funds:

- **Governmental Funds:** All 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 allows the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the BOCES' programs. Because this information does not encompass the additional long-term focus of the BOCES-wide statements, additional information can be found on pages 15 and 17, which reconciles the BOCES-wide financial statements to the fund financial statements.

**BROOME TIOGA BOCES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

(Continued)

- **Fiduciary Fund:** The BOCES is the trustee, or fiduciary, for assets that belong to others, such as State Aid due to components 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 BOCES-wide financial statements because it cannot use these assets to finance its operations.

**3. FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE**

**A. Net Position**

The BOCES total Net Position, increased by \$20,249,250 between fiscal year 2024 and 2023. A summary of the BOCES Statement of Net Position for the June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 56,524,212	\$ 49,121,052	\$ 7,403,160	15.1%
Capital, Software Subscription and Right to Use Assets, Net	61,940,457	60,064,965	1,875,492	3.1%
<b>Total Assets</b>	<u>118,464,669</u>	<u>109,186,017</u>	<u>9,278,652</u>	8.5%
Deferred Outflow of Resources	32,046,420	38,397,740	(6,351,320)	(16.5%)
<b>Total Assets and Deferred Outflow of Resources</b>	<u>\$ 150,511,089</u>	<u>\$ 147,583,757</u>	<u>\$ 2,927,332</u>	2.0%
Non-Current Liabilities	\$ 171,115,208	\$ 166,016,580	\$ 5,098,628	3.1%
Net Pension Liability - Proportionate Share	16,070,207	23,491,455	(7,421,248)	(31.6%)
Other Liabilities	24,120,377	22,843,931	1,276,446	5.6%
<b>Total Liabilities</b>	<u>211,305,792</u>	<u>212,351,966</u>	<u>(1,046,174)</u>	(0.5%)
Deferred Inflow of Resources	122,175,368	138,451,112	(16,275,744)	(11.8%)
<b>Total Liabilities and Deferred Inflow of Resources</b>	<u>333,481,160</u>	<u>350,803,078</u>	<u>(17,321,918)</u>	(4.9%)
Net Investment in Capital Assets	49,364,253	41,224,237	8,140,016	19.7%
Restricted	15,054,131	14,597,073	457,058	3.1%
Unrestricted (Deficit)	(247,388,455)	(259,040,631)	11,652,176	4.5%
<b>Total Net Position (Deficit)</b>	<u>(182,970,071)</u>	<u>(203,219,321)</u>	<u>20,249,250</u>	10.0%
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position</b>	<u>\$ 150,511,089</u>	<u>\$ 147,583,757</u>	<u>\$ 2,927,332</u>	2.0%

Current and other assets increased by \$7,403,160 as compared to the prior year. Most of this increase was due to the increase in cash and due from components in the General Fund.

Capital, Software Subscription and Right to Use Assets increased by \$1,875,492, as compared to the prior year. The majority of this increase was due to the net increases in the following categories: Land, Construction in Progress, Buildings and Improvements and BOCES equipment. The increase is also due to current year capital additions exceeding depreciation. Note 3 to the Financial Statements provides additional information.

As described above, the deferred outflow of resources changed by \$6,351,320 as follows:

Other Postemployment Benefits	\$ (1,171,284)
New York State retirement systems	\$ (5,180,036)

Non-current liabilities increased by \$5,098,628, as compared to the prior year. This increase is primarily the result of the current year increase of \$6,377,377 in the OPEB liability offset with a decrease of \$1,450,000 in Revenue Bonds.

Accounting standards required the recognition of the BOCES proportionate share of Net Assets/Liabilities and Deferred Outflows/Inflows for the New York State Employees' and Teachers' retirement systems.

See Independent Auditor's Report.



**BROOME TIOGA BOCES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

(Continued)

Other liabilities increased by \$1,276,446, as compared to the prior year, due to an increase in the due to components- refund of surplus by \$1,091,004.

As described above, the deferred inflow of resources decreased by \$16,275,744 as follows:

Other Postemployment Benefits	\$ (22,711,929)
New York State retirement systems	\$ 6,179,229
Lease Deferred Revenue	\$ 256,956

The net position invested in capital and right-to-use assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions and lease, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, vehicles, equipment, furniture, and leases to support BOCES' operations.

The restricted net position at June 30, 2024 is \$15,054,131 and represents the amount of the BOCES's restricted funds in the General and Miscellaneous Special Revenue Funds.

The net position at June 30, 2024, is a deficit balance of \$182,970,071, which represents the amount by which the BOCES' liabilities and deferred inflows exceeded BOCES' assets and deferred outflows. This deficit is attributable to the OPEB liability at June 30, 2024 in the amount of \$146,418,890.

**B. Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities by program in the accompanying financial statements. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows:

Revenues	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	\$ 157,081,919	\$ 142,428,944	\$ 14,652,975	10.3%
Operating Grants	2,037,504	1,372,545	664,959	48.4%
General Revenues				
Interest and Earnings	1,048,454	1,212,022	(163,568)	(13.5%)
Miscellaneous	4,449,322	4,200,347	248,975	5.9%
Loss on Sales of Property	(1,251,124)	(306,820)	(944,304)	(307.8%)
Total Revenues	<u>163,366,075</u>	<u>148,907,038</u>	<u>14,459,037</u>	9.7%
Expenses				
Administration	3,203,746	3,329,466	(125,720)	(3.8%)
Administration- Capital	3,432,251	1,664,335	1,767,916	106.2%
Occupation Instruction	13,505,736	13,633,231	(127,495)	(0.9%)
Instruction for Special Needs	43,231,396	44,326,552	(1,095,156)	(2.5%)
Itinerant Services	1,891,415	1,358,693	532,722	39.2%
General Instruction	16,889,361	16,310,964	578,397	3.5%
Instructional Support	18,293,521	15,485,364	2,808,157	18.1%
Other Services	42,669,399	43,126,484	(457,085)	(1.1%)
Total Expenses	<u>143,116,825</u>	<u>139,235,089</u>	<u>3,881,736</u>	2.8%
Total Change in Net Position	<u>\$ 20,249,250</u>	<u>\$ 9,671,949</u>	<u>\$ 10,577,301</u>	109.4%

The BOCES revenues increased by 9.7% in 2024 or \$14,459,037. The major factors that contributed to the increase were:

- Charges for Services increased \$14,652,975 mainly due to increased services for special needs instruction and other services from the BOCES' regional information center.

The BOCES expenditures for the year increased by \$3,881,736 or 2.8%. The primary reason for this increase was due to an increased demand for instructional support and administration-capital from the BOCES' regional information center.

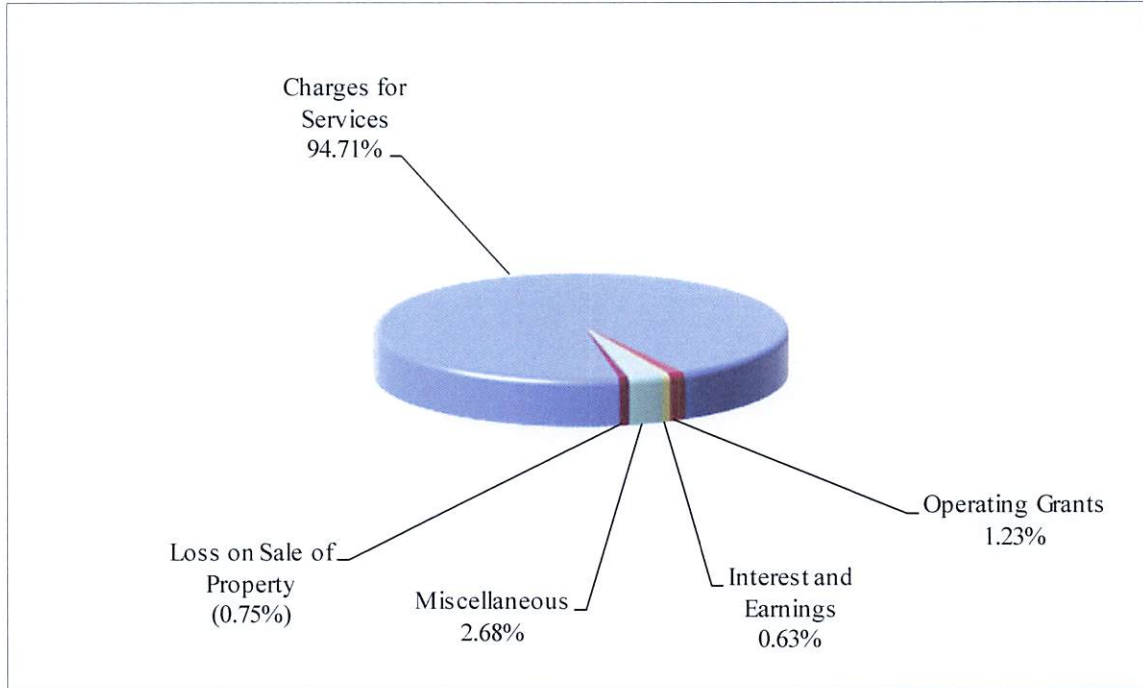
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**BROOME TIOGA BOCES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2024**

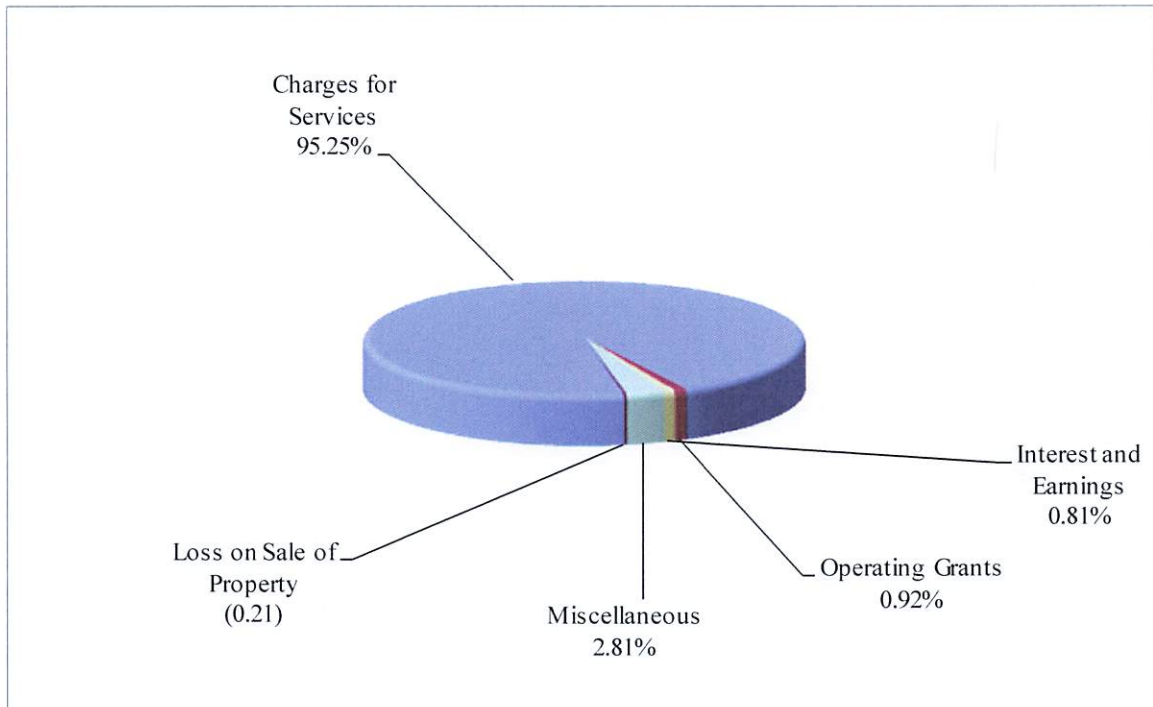
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A graphic display of the distribution of revenues for the two years follows:

**For the Year Ended June 30, 2024**



**For the Year Ended June 30, 2023**



See Independent Auditor's Report.

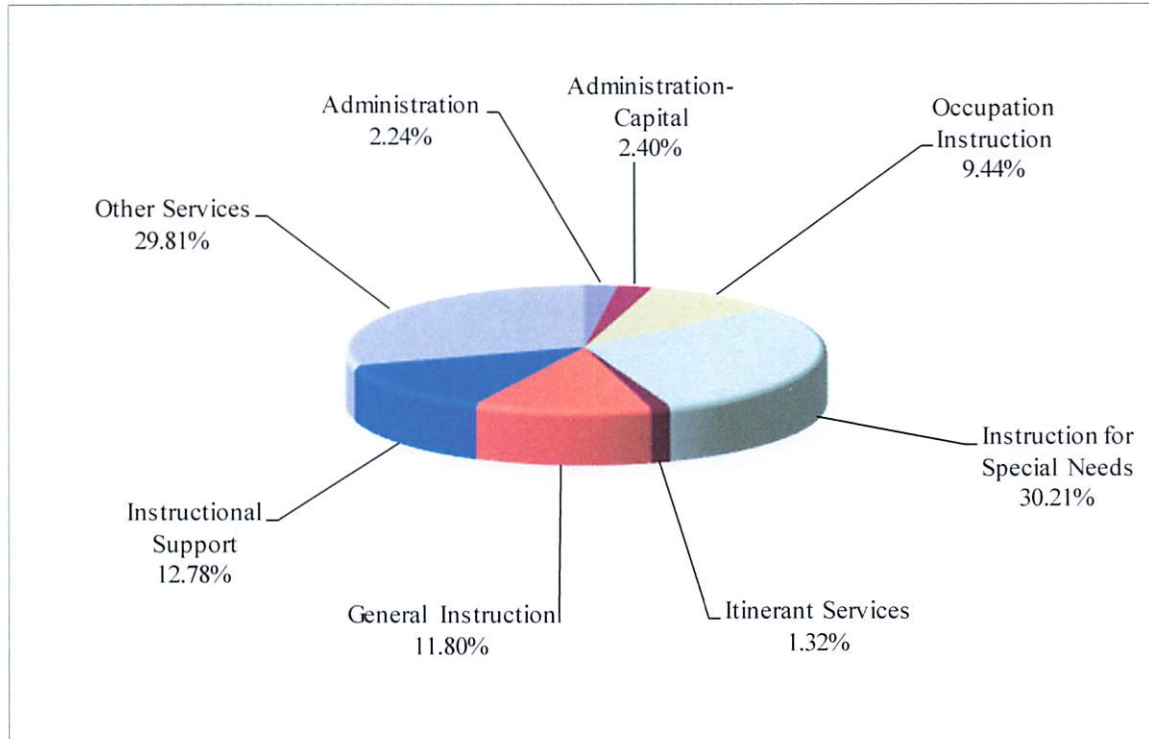


**BROOME TIOGA BOCES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2024**

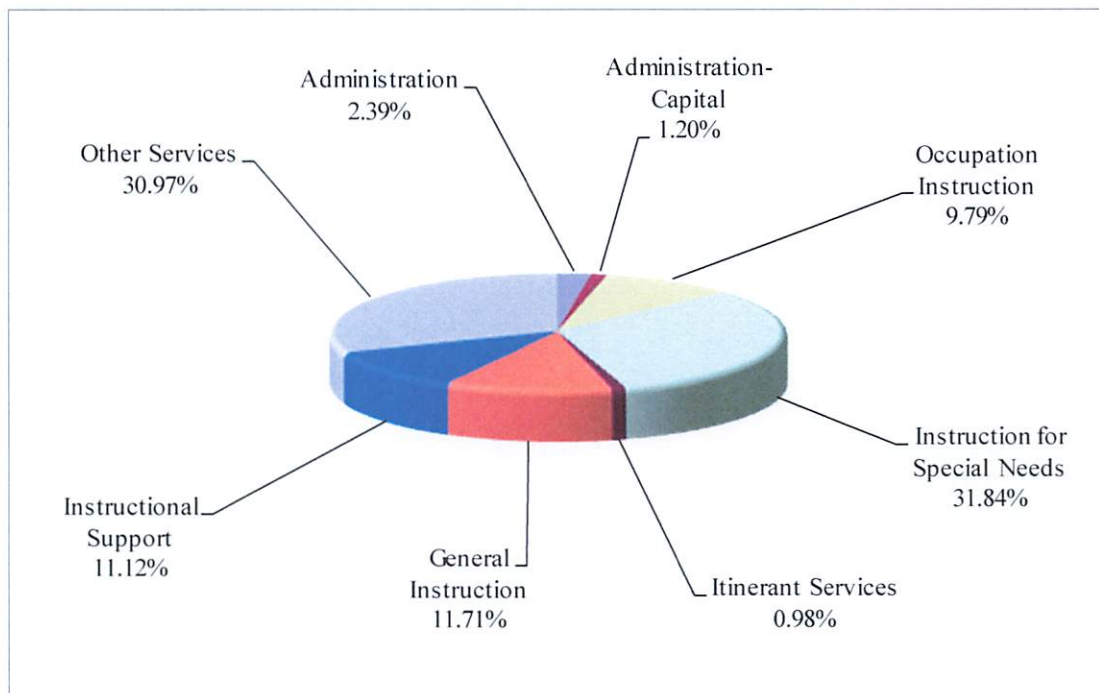
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A graphic display of the distribution of expenses for the two years follows:

**For the Year Ended June 30, 2024**



**For the Year Ended June 30, 2023**



See Independent Auditor's Report.

**BROOME TIOGA BOCES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2024**

(Continued)

**4. FINANCIAL ANALYSIS OF THE BOCES' FUND BALANCES**

At June 30, 2024, the BOCES governmental funds reported a combined fund balance of \$15,228,280, which is an increase of \$5,885,144 from the prior year. A summary of the change in fund balance by fund is as follows:

	2024	2023	Increase/ (Decrease)
<b>General Fund</b>			
Restricted			
Unemployment Insurance Reserve	\$ 243,904	\$ 109,222	\$ 134,682
Career Education and Instructional Equipment Reserve	431,751	411,333	20,418
Employee Benefit Accrued Liability	5,569,412	5,246,645	322,767
Employees' Retirement System Contributions	6,932,346	5,895,819	1,036,527
Teachers' Retirement System Contributions	1,748,908	1,298,168	450,740
Total Restricted	<u>14,926,321</u>	<u>12,961,187</u>	<u>1,965,134</u>
Assigned			
Administration	91,752	186,912	(95,160)
Occupational Instruction	255,893	136,545	119,348
Instruction for Special Needs	50,602	111,685	(61,083)
Itinerant Services	200	538	(338)
General Instruction	554,525	384,066	170,459
Instructional Support	644,437	809,485	(165,048)
Other Services and Internal Services	2,081,109	1,331,599	749,510
Total Assigned	<u>3,678,518</u>	<u>2,960,830</u>	<u>717,688</u>
Unassigned (Deficit)	<u>(10,784,075)</u>	<u>(10,571,734)</u>	<u>(212,341)</u>
Total General Fund	<u>7,820,764</u>	<u>5,350,283</u>	<u>2,470,481</u>
<b>Special Aid</b>			
Non Spendable	84,789		84,789
Assigned	644,215	469,273	174,942
Total Special Aid Fund	<u>729,004</u>	<u>469,273</u>	<u>259,731</u>
<b>Miscellaneous Special Revenue</b>			
Restricted	<u>127,810</u>	<u>121,831</u>	<u>5,979</u>
<b>Debt Service Fund</b>			
Restricted	<u>                    </u>	<u>1,514,055</u>	<u>(1,514,055)</u>
<b>Capital Fund</b>			
Committed	<u>6,550,702</u>	<u>1,887,694</u>	<u>4,663,008</u>
<b>Total Fund Balances</b>	<u>\$ 15,228,280</u>	<u>\$ 9,343,136</u>	<u>\$ 5,885,144</u>

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

- The difference between the original approved budget and prior year encumbrances of \$150,212,507 and the amended budget of \$166,565,470 is \$16,352,963 or 10.9%. The increase is due to the request for additional services from component school districts. The budgetary comparison information can be found on Page 46 which presents both original and amended budget totals compared with actual results for the General Fund for the year ended June 30, 2024.
- Actual expenditures and encumbrances were under the amended budget by \$7,358,996 or 4.4%, and actual revenues were below the amended budget by \$2,413,034 or 1.4%.

See Independent Auditor's Report.



**BROOME TIOGA BOCES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2024**

(Continued)

**6. CAPITAL ASSET AND DEBT ADMINISTRATION**

**A. Capital Assets**

At June 30, 2024 and 2023, the BOCES had \$61,940,457 and \$60,064,965, respectively, in a broad range of owned and leased capital assets including buildings, transportation equipment, computer equipment, and furniture and fixtures.

A summary of the BOCES capital assets and right to use leased assets, net, at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)
Land	\$ 428,662	\$ 211,080	\$ 217,582
Construction in Progress	1,625,073	606,477	1,018,596
Buildings and Improvements	20,595,104	19,706,255	888,849
Furniture, Equipment, and Vehicles	26,043,128	25,191,918	851,210
Intangibles	473,398	1,208,402	(735,004)
Subtotal	49,165,365	46,924,132	2,241,233
Software Subscription Assets	554,826	848,631	(293,805)
Right To Use Leased Assets	12,220,266	12,292,202	(71,936)
Capital Assets, Net	<u>\$ 61,940,457</u>	<u>\$ 60,064,965</u>	<u>\$ 1,875,492</u>

The BOCES' capital and right-to-use leased assets, net of accumulated depreciation and amortization is, for the purpose of this report, the assets owned, purchased or leased by the BOCES less the depreciated or amortized value over the useful life of the item. Depreciation and amortization expense for the BOCES totaled \$11,818,320 and \$10,462,680 for June 30, 2024 and 2023, respectively.

**B. Long-Term Liabilities**

The summary of the long-term liabilities at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)
Revenue Bonds	\$ 6,430,866	\$ 1,450,000	\$ (1,450,000)
Installment Purchase Agreements	5,569,412	6,384,198	46,668
Compensated Absences	174,121	5,246,645	322,767
Software Subscription Liability	12,521,919	174,121	(198,184)
Lease Liability	146,418,890	12,720,103	6,377,377
OPEB liability	<u>171,115,208</u>	<u>140,041,513</u>	<u>5,098,628</u>
Total Long Term Liabilities	<u>\$ 171,115,208</u>	<u>\$ 166,016,580</u>	<u>\$ 5,098,628</u>

**7. FACTORS BEARING ON THE BOCES FUTURE**

BOCES budgets continue to be impacted by the rising cost of health insurance. While steps have been taken to mitigate these increases – such as restructuring prescription drug copays – health insurance costs are still expected to outpace the growth in service charges to school districts.

Our instructional facilities face notable infrastructure challenges. We are currently unable to fulfill all programming requests and are unable to accommodate future growth, with BOCES program enrollment projected to increase by 17% between 2023 and 2033. In November 2023, voters approved a referendum that will allow for infrastructure upgrades, reconfiguration of existing spaces, and the addition of new classrooms. While some of these projects have already begun, others remain in the planning stages, and current cost estimates indicate a significant rise in the expenses for these capital improvements.

Economic and employment conditions at the local, state, and national levels also pose ongoing challenges. Recruitment, hiring, and employee retention remain a top priority for the organization, as these efforts are essential to the sustainability of our programs and services.

**8. CONTACTING THE BOCES' FINANCIAL MANAGEMENT**

This financial report is designed to provide the BOCES citizens, 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, Broome Tioga BOCES, 435 Glenwood Road, Binghamton, NY 13905-1699.

See Independent Auditor's Report.

**BROOME TIOGA BOCES**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 21,000,339
Restricted Cash and Cash Equivalents	15,825,985
Cash with Fiscal Agent	1,056
Receivables	
State and Federal Aid	1,333,226
Due from Components	10,713,262
Accounts Receivables	1,134,689
Lease Receivables	6,430,866
Other Assets	84,789
Software Subscription Assets, Net of Amortization	554,826
Right to Use Leased Assets, Net of Amortization	12,220,266
Capital Assets, Net of Accumulated Depreciation	<u>49,165,365</u>
Total Assets	<u>118,464,669</u>
<b>Deferred Outflow of Resources</b>	
Deferred Outflow - Pensions	22,404,701
Deferred Outflow - OPEB	<u>9,641,719</u>
Total Deferred Outflow of Resources	<u>32,046,420</u>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ <u>150,511,089</u></b>
<b>Liabilities</b>	
Due to Components - Refund of Surplus	\$ 6,153,999
Due to	
Other Governments	709,484
Teachers' Retirement System	3,003,248
Employees' Retirement System	1,223,844
Accounts Payable	6,813,608
Accrued Liabilities	3,637,957
Retainage Payable	47,620
Overpayments and Collections in Advance	2,530,617
Net Pension Liability - Proportionate Share	16,070,207
Noncurrent Liabilities	
Due Within One Year	4,049,309
Due in More Than One Year	<u>167,065,899</u>
Total Liabilities	<u>211,305,792</u>
<b>Deferred Inflow of Resources</b>	
Deferred Inflow - Pensions	8,715,809
Deferred Inflow - Leases	17,223,175
Deferred Inflow - OPEB	<u>96,236,384</u>
Total Deferred Inflow of Resources	<u>122,175,368</u>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b><u>333,481,160</u></b>
<b>Net Position (Deficit)</b>	
Net Investment in Capital Assets	49,364,253
Restricted	15,054,131
Unrestricted (Deficit)	<u>(247,388,455)</u>
Total Net Position (Deficit)	<u>(182,970,071)</u>
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position (Deficit)</b>	<b>\$ <u>150,511,089</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**BROOME TIOGA BOCES**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Administration	\$ 3,203,746	\$ 2,636,995	\$	\$ (566,751)
Administration - Capital	3,432,251	2,091,839		(1,340,412)
Occupational Instruction	13,505,736	14,186,156	32,880	713,300
Instruction for Special Needs	43,231,396	46,484,438		3,253,042
Itinerant Services	1,891,415	2,193,096		301,681
General Instruction	16,889,361	15,815,560	874,146	(199,655)
Instruction Support	18,293,521	19,015,088	1,130,478	1,852,045
Other Services	42,669,399	54,658,747		11,989,348
Total Functions/Programs	<u>\$ 143,116,825</u>	<u>\$ 157,081,919</u>	<u>\$ 2,037,504</u>	<u>16,002,598</u>
<b>General Revenues</b>				
Interest and Earnings				1,048,454
(Loss) on Sales of Property				(1,251,124)
Other Revenues				3,207,300
Miscellaneous				<u>1,242,022</u>
Total General Revenues				<u>4,246,652</u>
Change in Net Position				20,249,250
Net Position (Deficit), Beginning of Year				<u>(203,219,321)</u>
Net Position (Deficit), End of Year				<u>\$ (182,970,071)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.



**BROOME TIOGA BOCES**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**(INCLUDING THE RECONCILIATION OF TOTAL GOVERNMENTAL**  
**FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES)**  
**June 30, 2024**

	Miscellaneous					
	General	Special Aid	Special Revenue	Debt Service	Capital	Total
<b>Assets</b>						
Unrestricted Cash and Cash Equivalents	\$ 18,688,220	\$ 2,312,119	\$	\$	\$	\$ 21,000,339
Restricted Cash and Cash Equivalents	14,926,321		127,810		771,854	15,825,985
Cash with Fiscal Agent					1,056	1,056
Receivables						
State and Federal Aid		1,333,226				1,333,226
Due from Components	10,606,439	106,823				10,713,262
Due from Other Funds	574,421	825			6,689,444	7,264,690
Accounts Receivables	332,338	802,351				1,134,689
Leases	6,430,866					6,430,866
Other Assets		84,789				84,789
Total Assets	<u>\$ 51,558,605</u>	<u>\$ 4,640,133</u>	<u>\$ 127,810</u>	<u>\$</u>	<u>\$ 7,462,354</u>	<u>\$ 63,788,902</u>
<b>Liabilities</b>						
Due to Components - Refund of Surplus	\$ 6,153,999	\$	\$	\$	\$	\$ 6,153,999
Due To						
Other Governments	4,032	705,452				709,484
Other Funds	6,690,269	574,421				7,264,690
Teachers' Retirement System	3,003,248					3,003,248
Employees' Retirement System	1,223,844					1,223,844
Accounts Payable	6,647,978	158,764			6,866	6,813,608
Accrued Liabilities	1,464,617	30,103			904,786	2,399,506
Insurance Liabilities	1,225,568					1,225,568
Payroll Liabilities	12,883					12,883
Overpayments and Collections in Advance	88,228	2,442,389				2,530,617
Total Liabilities	<u>26,514,666</u>	<u>3,911,129</u>	<u></u>	<u></u>	<u>911,652</u>	<u>31,337,447</u>
<b>Deferred Inflow of Resources - Leases</b>	<u>17,223,175</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>17,223,175</u>
<b>Fund Balance</b>						
Non Spendable		84,789				84,789
Restricted	14,926,321		127,810			15,054,131
Committed					6,550,702	6,550,702
Assigned	3,678,518	644,215				4,322,733
Unassigned (Deficit)	(10,784,075)					(10,784,075)
Total Fund Balance	<u>7,820,764</u>	<u>729,004</u>	<u>127,810</u>	<u></u>	<u>6,550,702</u>	<u>15,228,280</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 51,558,605</u>	<u>\$ 4,640,133</u>	<u>\$ 127,810</u>	<u>\$</u>	<u>\$ 7,462,354</u>	<u>\$ 63,788,902</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**BROOME TIOGA BOCES**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE BOCES-WIDE NET POSITION**  
**June 30, 2024**

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Total Governmental Fund Balances	\$ <u>15,228,280</u>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building, acquiring, and leasing capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital and right to use assets among the assets of the BOCES as a whole, and their original costs are expensed annually over their useful lives.

Original Cost of Right-to-Use Assets	16,644,664
Accumulated Amortization	(4,424,398)
Original Cost of Software Subscription Assets	881,413
Accumulated Amortization	(326,587)
Original Cost of Capital Assets	121,401,024
Accumulated Depreciation	<u>(72,235,659)</u>
	<u>61,940,457</u>

Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.

Deferred Outflows - Pensions	22,404,701
Net Pension Liability - Proportionate Share	(16,070,207)
Deferred Inflows - Pensions	<u>(8,715,809)</u>
	<u>(2,381,315)</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Installment Purchase Debt	(6,430,866)
Lease Liability	(12,521,919)
Software Subscription Liability	(174,121)
Deferred Outflows - OPEB	9,641,719
Deferred Inflows - OPEB	(96,236,384)
Other Post Employment Liabilities	(146,418,890)
Retainage Payable	(47,620)
Compensated Absences Payable	<u>(5,569,412)</u>
	<u>(257,757,493)</u>

Total Net Position (Deficit)	\$ <u>(182,970,071)</u>
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**BROOME TIOGA BOCES**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2024**

	General	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Revenues</b>						
Charges for Services	\$ 149,355	\$ 1,496,524	\$	\$	\$	\$ 1,645,879
Charges to Components - Administration	4,834,984					4,834,984
Charges to Components - Service Programs	135,468,701					135,468,701
Charges to Non-Components and Other BOCES	13,158,097	24,257				13,182,354
Interest and Earnings	1,028,409		2,380	17,665		1,048,454
Sale of Property and Compensation for Loss	16,347					16,347
Lease Revenue	8,104,000					8,104,000
Miscellaneous/Other Revenue	150,521	3,035,576	21,203			3,207,300
Refund of Prior Year's Expenditures	1,042,270					1,042,270
Interfund Revenues	199,752				6,758,439	6,958,191
State and Local Sources		1,481,273				1,481,273
Federal Sources		556,231				556,231
Total Revenues	<u>164,152,436</u>	<u>6,593,861</u>	<u>23,583</u>	<u>17,665</u>	<u>6,758,439</u>	<u>177,545,984</u>
<b>Expenditures</b>						
Administration	3,802,315					3,802,315
Administration - Capital	2,091,839					2,091,839
Occupational Instruction	13,362,700	1,740,130				15,102,830
Instruction for Special Needs	45,630,352	1,309,363				46,939,715
Itinerant Services	2,197,853					2,197,853
General Instruction	17,292,210	919,090	17,604			18,228,904
Instruction Support	19,552,464	1,990,454				21,542,918
Other Services	51,598,223	375,093		1,531,720	4,462,482	57,967,518
Capital Outlay					1,667,751	1,667,751
Total Expenditures	<u>155,527,956</u>	<u>6,334,130</u>	<u>17,604</u>	<u>1,531,720</u>	<u>6,130,233</u>	<u>169,541,643</u>
Excess (Deficit) Revenues Over Expenditures	<u>8,624,480</u>	<u>259,731</u>	<u>5,979</u>	<u>(1,514,055)</u>	<u>628,206</u>	<u>8,004,341</u>
<b>Other Financing Sources (Uses)</b>						
Return of Surplus	(6,153,999)					(6,153,999)
Proceeds of Debt					2,766,326	2,766,326
Proceeds of Leases					1,268,476	1,268,476
Total Other Financing Sources (Uses)	<u>(6,153,999)</u>				<u>4,034,802</u>	<u>(2,119,197)</u>
<b>Excess (Deficit) Revenues Over Expenditures and Other Financing Sources</b>	<u>2,470,481</u>	<u>259,731</u>	<u>5,979</u>	<u>(1,514,055)</u>	<u>4,663,008</u>	<u>5,885,144</u>
<b>Fund Balances, Beginning of Year</b>	<u>5,350,283</u>	<u>469,273</u>	<u>121,831</u>	<u>1,514,055</u>	<u>1,887,694</u>	<u>9,343,136</u>
<b>Fund Balances, End of Year</b>	<u>\$ 7,820,764</u>	<u>\$ 729,004</u>	<u>\$ 127,810</u>	<u>\$</u>	<u>\$ 6,550,702</u>	<u>\$ 15,228,280</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**BROOME TIOGA BOCES**  
**RECONCILIATION OF THE STATEMENT OF REVENUES AND**  
**EXPENDITURES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

Net Changes in Fund Balance - Total Governmental Funds \$ 5,885,144

**Capital Related Differences**

Capital Outlays to purchase, build, or lease capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation or amortization expenses in the Statement of Activities. This is the amount by which capital outlays and right to use assets exceeded depreciation, amortization, and loss on disposal in the period.

Depreciation and Amortization Expense	(11,818,320)	
Loss on Disposal	(1,267,471)	
Right to Use Asset Acquisition	1,268,476	
Capital Outlays	<u>13,650,234</u>	<u>1,832,919</u>

**Long-Term Liability Transaction Differences**

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Long term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of long term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Changes in long-term debt are as follows:

Payments on Revenue Bonds	1,450,000	
Proceeds of Installment Purchase Debt	(3,624,882)	
Payment on Installment Purchase Debt	3,578,214	
Change in Lease Liability	198,184	
Change in Other Post Employment Liabilities and Deferred Inflows/Outflows	15,163,268	
Change in Interest Accrual	27,187	
Change in Compensated Absences	<u>(322,767)</u>	<u>16,469,204</u>

(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	(1,630,639)	
Employees' Retirement System	<u>(2,307,378)</u>	<u>(3,938,017)</u>

Change in Net Position Governmental Activities \$ 20,249,250



**BROOME TIOGA BOCES**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2024**

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	Custodial Fund
<b>Assets</b>	
Cash and Cash Equivalents - Restricted	\$ <u>11,841</u>
<b>Liabilities</b>	
Due to Other Governments-Sales Tax	\$ <u>1,024</u>
<b>Net Position</b>	
Restricted For Other Purposes	<u>10,817</u>
Total Net Position	
<b>Total Liabilities and Net Position</b>	<u>\$ 11,841</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**BROOME TIOGA BOCES**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FIDUCIARY**  
**NET POSITION**  
**June 30, 2024**

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	Custodial Fund
<b>Additions</b>	
Extraclassroom Fundraising	\$ 27,271
Due from Other Governments-State Aid	<u>46,928,661</u>
Total Additions	<u>46,955,932</u>
<b>Deductions</b>	
Extraclassroom Expenditures	26,639
Due to Other Governments-State Aid to Components	<u>46,928,661</u>
Total Deductions	<u>46,955,300</u>
<b>Change in Net Position</b>	632
<b>Net Position, Beginning of the Year</b>	<u>10,185</u>
<b>Net Position, End of the Year</b>	<u>\$ 10,817</u>

The Accompanying Notes are an Integral Part of These Financial Statements.



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Broome Tioga BOCES have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) that apply 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:

***Financial Reporting Entity***

The Board of Cooperative Educational Services (BOCES) is governed by the laws of New York State. The BOCES is an independent entity governed by an elected Board of Education. The President of the Board services as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the BOCES. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

There are fifteen participating school districts in the Broome Tioga BOCES. The BOCES is a joint venture in which the participating districts have an ongoing financial responsibility, no equity interest, and no single participant controls the financial or operating policies of the BOCES. The BOCES was formed under State law for the purpose of providing shared educational programs and instruction in subjects approved by the State Education Commissioner. The BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. The BOCES charges districts for program costs based on participation and for administrative costs.

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

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

**(a) *Extraclassroom Activity Funds***

The Extraclassroom Activity Funds of BOCES represent funds of the students of BOCES. These funds are included in the combined basic financial statements in the Fiduciary Funds as custodial funds because the Board of Cooperative Educational Services exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of BOCES with respect to its financial transactions and designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the BOCES' Business Office at 435 Glenwood Road, Binghamton, New York 13905.

***Joint Ventures***

**(a) *Insurance Consortium***

The BOCES is the sponsoring agency for the Broome Tioga BOCES Health Consortium. The Consortium is a municipal corporation operating in Broome and Tioga counties to provide cooperative programs for health benefits to municipal employees by entering into intermunicipal agreements pursuant to Article 5-G of the General Municipal Law.

Separate audited financial statements of the Broome Tioga BOCES Health Consortium can be found at the BOCES' Business Office at 435 Glenwood Road, Binghamton, New York 13905.



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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***Basis of Presentation***

***(a) BOCES-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 charges to components, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary 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.

***(b) Fund Financial Statements***

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

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

***Special Revenue Funds:***

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

Miscellaneous Special Revenue Fund: These funds are used to account and report for scholarships funds donated to the BOCES 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.

***Debt Service Fund:*** This fund accounts for and reports the accumulation of resources and the payment of principal and interest on long-term general obligation of debt of governmental activities.

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

***(c) Fiduciary Fund***

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

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the BOCES as agent for various student groups or Extraclassroom Activity funds.

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

The BOCES-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. Nonexchange transactions, in which the BOCES gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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 six months after the end of the fiscal year.



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

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

Payables, accrued liabilities, and long-term obligations are reported in the BOCES-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments and compensated absences, that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

***Estimates***

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

***Budgetary Procedures and Budgetary Accounting***

***(a) Budget Policies***

The BOCES' administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

The BOCES' administration submits a tentative budget to the Board of Cooperative Educational Services for the fiscal year commencing the following July 1. The BOCES' administrative budget must be approved by the school boards of each component district in May. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

Appropriations established by adoption of the budget constitute a limitation on expenditures that may be incurred. Appropriations lapse at the fiscal year end.

The Board of Cooperative Educational Services must approve all modifications of the budget. However, the BOCES Superintendent is authorized to transfer certain budgeted amounts within departments.

The following supplemental appropriation occurred during the year:

Adopted Budget		\$ 147,251,677
Prior Year's Encumbrances		<u>2,960,830</u>
Original Budget		150,212,507
Budget Revisions		
Administration	\$ (401)	
Occupational Instruction	5,643	
Instruction for Special Needs	1,046,979	
Itinerant Services	955,008	
General Instruction	6,968,537	
Instruction Support	2,038,970	
Other Services and Internal Services	<u>5,338,227</u>	<u>16,352,963</u>
Revised Budget		<u>\$ 166,565,470</u>



**BROOME TIOGA BOCES**  
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**(b) *Encumbrance Accounting***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

***Cash and Cash Equivalents/Investments***

The BOCES' cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the BOCES' investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts.

***Investments***

The investments in securities are carried at fair value and are categorized as investments held by the BOCES. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of securities traded on a national securities exchange are based on the last reported sales price on the last business day of the year; bonds, notes, and government securities for which no sale was reported on that date are valued at the last reported bid price.

The net change in the unrealized gain or loss is recognized as investment income.

***Receivables***

Receivables 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 not be material.

***Insurance***

BOCES insures against liability for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

***Interfund Transactions***

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

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 interfund transactions for governmental funds throughout the year is shown in Note 7 to the financial statements.

***Prepaid Items***

Prepaid items represent payments made by the BOCES for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the BOCES wide and fund financial statements. These items are reported as assets in the Statement of Net Position or balance sheet. A current asset for the prepaid amounts is recorded at the time of purchase and an expense is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets (prepaid items) has been identified as not available for other subsequent expenditures.



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***Capital Assets***

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

The BOCES uses capitalization thresholds of \$1,000 (the dollar value above which assets acquisitions are added to the capital assets accounts for grouped-like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the BOCES-wide statements are as follows:

	<u>Lives</u>	<u>Depreciation Method</u>
Furniture, Equipment, and Vehicles	5-10 Years	Straight Line
Buildings and Improvements	15-40 Years	Straight Line
Intangibles	5 Years	Straight Line

***Software Subscription Assets***

The BOCES has recorded intangible software subscription assets as a result of implementing GASB 96, *Subscription-Based Information Technology Arrangements*. The subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any payments made to the vendor at commencement of the term and any capitalizable implementation costs, less any vendor incentives received at the commencement of the term. The software subscription assets are amortized on a straight-line basis over the term of the subscription.

***Right-to-Use Leased Assets***

The BOCES has recorded right-to-use leased assets as a result of implementing GASB 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right-to-use assets are amortized on a straight-line basis over the life of the related lease that range from 5 to 21 years.

***Deferred Outflow 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 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 asset or liability and difference during the measurement period between the BOCES' contributions and its proportionate share of total contributions not included in pension expense and differences between expected and actual experience, differences between projected and actual earnings on investments. The second item is related to other postemployment benefits (OPEB) reported on the BOCES-wide Statement of Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

***Compensated Absences***

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB, an accrual for accumulated 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.

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

***Other Benefits***

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



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In addition to providing pension benefits, the BOCES provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if BOCES employees are eligible for these benefits if they reach normal 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. The cost of providing postemployment benefits is shared between the BOCES and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 4).

***Unearned Revenues***

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues recorded in governmental funds and government-wide financial statements arise when revenues are received prior to the BOCES having legal claim to them. For example, when grant monies are received prior to incurring qualified expenditures, then those monies are considered to be unearned revenue. In subsequent periods, when both recognition criteria are met, or when the BOCES has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

***Deferred Inflows of Resources***

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The BOCES 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' proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the BOCES' contributions and its proportionate share of total contributions to the pension systems not included in pension expense and effects of changes in assumptions, projected and actual earnings on investments. The second item is related to other postemployment benefits (OPEB) reported on the BOCES-wide Statement of Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years. The third item is related to agreements in which the BOCES acts as a lessor and is deferring any lease receivable and initial payments received over the term of the lease.

***Equity Classifications***

***(a) BOCES-Wide Financial Statements***

In the BOCES-wide statements there are three classes of Net Position:

Net Investment in Capital Assets— consists of net capital, subscription-based software, and right-to-use leased assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted Net Position – 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 Net Position – reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the BOCES.

***(b) Statements***

The following classifications describe the relative strength of the spending constraints:

***Non-spendable***

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the Prepaid balance in the Special Aid Fund at June 30, 2024.

***Restricted Resources***

This category 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. Generally, the BOCES' policy is to use restricted resources only when appropriated by the Board of



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Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the BOCES' policy concerning which to apply first varies with the intended use, and with associated legal requirements. The BOCES has established the following restricted fund balances:

- ***Reserve for Unemployment***

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

- ***Career Education Instructional Equipment Reserve***

The Career Education Instructional Equipment Reserve (Education Law Section 1950 [4][ee]) is used to finance all or part of the cost of the replacement and purchase of advanced technology equipment used in instructional programs conducted by the BOCES. This reserve may be created by resolution of the BOCES governing board and approved by the boards of education of a majority of the BOCES' participating in the instructional program of the BOCES. The reserve is accounted for in the General Fund.

- ***Reserve for Employee Benefit Accrued Liability***

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

- ***Reserve for Employees' Retirement System Contributions***

According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

- ***Reserve for Endowments and Scholarships*** – This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

- ***Reserve for Debt Service***

This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction, or major repair of capital facilities.

***Unrestricted Resources***

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the BOCES considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless BOCES has provided otherwise in its commitment or assignment actions.

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the BOCES' highest level of decision making authority, i.e., the Board of Education. At June 30, 2024, the BOCES had committed funds for capital projects.
- ***Assigned*** – Includes amounts that are constrained by the BOCES' intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the BOCES' Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. The General Fund's encumbrances and the equity in the Special Aid funds are classified as assigned.



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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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- **Unassigned** – Includes all other fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the BOCES. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

***Future Changes in Accounting Standards***

- GASB Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

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

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

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

***Total Fund Balances of Governmental Funds Compared To 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 Sheet.

***Statement of Revenues, Expenditures, and Changes in Fund Balance Versus Statement of Activities***

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

**(a) *Long-Term Revenue/Expenditure 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 in 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 or lease of capital or right-to-use assets in the governmental fund statements and depreciation and amortization expense on those items as recorded in the Statement of Activities.

**(c) *Long-Term Debt Transaction Differences***

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**(d) *Pension Differences***

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

**(e) *OPEB Differences***

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



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**(f) Employee Benefits Allocation**

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

**3. DETAIL NOTES ON ALL FUNDS**

**Assets**

**(a) Custodial Credit Risk**

The BOCES' investment policies are governed by state statutes and BOCES policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the BOCES' deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the BOCES' name.

The BOCES' had aggregate bank balances of \$6,818,713, of which, \$1,000,000 was covered by depository insurance and the remaining \$5,818,713 was covered with collateral as described in C above.

**(b) Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents of \$14,926,321 in the General Fund represent funds held for the Reserve for Unemployment, Reserve for Retirement Contributions, the Career Education Instructional Equipment Reserve, and Employee Benefit Accrued Liability Reserve.

Restricted cash and cash equivalents of \$127,810 in the Miscellaneous Special Revenue fund represents various scholarships and award funds held by the BOCES.

Restricted cash and cash equivalents of \$771,854 in the Capital Fund represent funds held by the BOCES for future capital project expenditures.

Restricted cash and cash equivalents of \$11,841 in the Custodial Fund represent funds held for the BOCES Extraclassroom Activity Funds.

**(c) Investment Pool**

The BOCES participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-o, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The following amounts are included as cash equivalents:

Fund	Cost	Fair Value
General Fund	\$ 30,682,810	\$ 30,682,810
Special Aid	2,058,628	2,058,628
Total	<u>\$ 32,741,438</u>	<u>\$ 32,741,438</u>

The above amounts represent the cost of the investment pool share and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. The Investment Pool issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to MBIA/CLASS, 113 King Street, Albany, New York 10504.



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**(d) Capital Assets & Right-to-use Leased Assets**

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 211,080	\$ 217,582	\$	\$ 428,662
Construction in Progress	<u>606,477</u>	<u>1,667,750</u>	<u>649,154</u>	<u>1,625,073</u>
Total	<u>817,557</u>	<u>1,885,332</u>	<u>649,154</u>	<u>2,053,735</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	42,045,379	2,265,062	18,449	44,291,992
Furniture, Equipment and Vehicles	70,768,869	9,955,249	6,378,717	74,345,401
Intangibles	<u>1,573,799</u>	<u>236,318</u>	<u>1,100,221</u>	<u>709,896</u>
Total	<u>114,388,047</u>	<u>12,456,629</u>	<u>7,497,387</u>	<u>119,347,289</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	22,339,124	1,357,795	31	23,696,888
Furniture, Equipment and Vehicles	45,576,951	8,704,069	5,978,747	48,302,273
Intangibles	<u>365,397</u>	<u>122,239</u>	<u>251,138</u>	<u>236,498</u>
Total	<u>68,281,472</u>	<u>10,184,103</u>	<u>6,229,916</u>	<u>72,235,659</u>
<b>Net Capital Assets Being Depreciated</b>	<u>46,106,575</u>	<u>2,272,526</u>	<u>1,267,471</u>	<u>47,111,630</u>
<b>Net Capital Assets</b>	<u>\$ 46,924,132</u>	<u>\$ 4,157,858</u>	<u>\$ 1,916,625</u>	<u>\$ 49,165,365</u>

Depreciation expense is allocated to the following functions:

Function/Program	
Administration	\$ 381,537
Occupational Instruction	864,987
Instruction-Students with Special Needs	2,953,717
Itinerant Services	142,270
General Instruction	1,119,349
Instructional Support	1,265,659
Other Services	<u>3,456,584</u>
Total Depreciation	<u>\$ 10,184,103</u>

Right-to-use leased asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Right to Use Leased Assets</b>				
Leased Buildings	\$ 15,376,188	\$ 1,268,476	\$	\$ 16,644,664
<b>Accumulated Amortization</b>				
Leased Buildings	<u>3,083,986</u>	<u>1,340,412</u>		<u>4,424,398</u>
<b>Net Right to Use Leased Assets</b>	<u>\$ 12,292,202</u>	<u>\$ (71,936)</u>		<u>\$ 12,220,266</u>

Amortization expense of \$1,340,412 was charged to Administration – Capital.

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**(e) Software Subscription Assets**

The BOCES has entered into subscription-based information technology arrangements (SBITA) with two vendors for subscription-based software. The BOCES made lump sum payments at the beginning of each of the subscription arrangements and thus the BOCES has recorded software subscription assets with a net book value of \$554,826 at June 30, 2024. One software has a remaining liability of \$174,121 to be paid at the end of the contract term. The following is a summary of the BOCES' software subscription arrangements as of June 30, 2024:

<u>Description</u>	<u>Commencement Date</u>	<u>Term (Years)</u>	<u>Net Asset Value</u>
Service Now	6/1/2023	3	\$ 372,256
DDoS protection/Cloudflare	5/1/2023	3	182,570
			<u>\$ 554,826</u>

Software subscription activity for the year ended June 30, 2024, is as follows:

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Software Subscription Assets	\$ 881,413	\$	\$	\$ 881,413
Accumulated Amortization	<u>32,782</u>	<u>293,805</u>		<u>326,587</u>
Net Software Subscription Assets	<u>\$ 848,631</u>	<u>\$ (293,805)</u>	<u>\$</u>	<u>\$ 554,826</u>

Amortization expense of \$293,805 was charged to Other Services.

**(f) Lease Receivable and Lessor Agreements**

The BOCES has entered into agreements with Districts to lease technology and distance learning equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded as a receivable at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates from 2019-2024 and are for a term of 3-5 years. For some of the agreements, the BOCES has recorded a lease receivable and a deferred inflow of resources at June 30, 2024. For the year ended June 30, 2024, the BOCES recognized \$5,656,438 in lease revenue and \$241,381 in lease interest revenue. Also, during the year ended June 30, 2024, the BOCES issued loans in the amount of \$3,624,882 and received principal payments of \$3,578,214. Future payments due to the BOCES and deferred inflow recognition under these are agreements are as follows for the year ended June 30, 2024:

<u>For the Year Ending</u>	<u>Lease Receivables</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30,			
2025	\$ 2,656,705	\$ 279,965	\$ 2,936,670
2026	1,858,542	175,271	2,033,813
2027	1,335,535	93,047	1,428,582
2028	<u>580,084</u>	<u>28,939</u>	<u>609,023</u>
Total	<u>\$ 6,430,866</u>	<u>\$ 577,222</u>	<u>\$ 7,008,088</u>

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

Deferred inflows for leases will be recognized as follows:

For the Year Ending June 30,	Deferred Inflow
2025	\$ 6,674,594
2026	5,081,879
2027	3,563,702
2028	1,793,717
2029	109,283
Total	<u>\$ 17,223,175</u>

**Liabilities**

**(a) Noncurrent Liabilities**

Long-term liability balances and activity for the year ended June 30, 2024 are as follows:

Description	Beginning Balance	Issued	Paid	Ending Balance	Due Within One Year
Governmental Activities					
Revenue Bonds	\$ 1,450,000	\$	\$ 1,450,000	\$	\$
Installment Purchase Agreements	6,384,198	3,624,882	3,578,214	6,430,866	2,656,705
Other Liabilities					
OPEB Liability	140,041,513	11,812,598	5,435,221	146,418,890	
Software Subscription Liability	174,121			174,121	174,121
Lease Liability	12,720,103	1,268,476	1,466,660	12,521,919	1,218,483
Compensated Absences	5,246,645	1,303,253	980,486	5,569,412	
Total Governmental Activities	<u>\$ 166,016,580</u>	<u>\$ 18,009,209</u>	<u>\$ 12,910,581</u>	<u>\$ 171,115,208</u>	<u>\$ 4,049,309</u>

Principal and interest payments due on the installment obligation debt are as follows:

For the Year Ending June 30,	Installment Purchase Debt		
	Principal	Interest	Total
2025	\$ 2,656,705	\$ 279,965	\$ 2,936,670
2026	1,858,542	175,271	2,033,813
2027	1,335,535	93,047	1,428,582
2028	580,084	28,939	609,023
Total	<u>\$ 6,430,866</u>	<u>\$ 577,222</u>	<u>\$ 7,008,088</u>

**Revenue Bonds**

The BOCES entered into a financing agreement with the Dormitory Authority of the State of New York (DASNY) consisting of program lease revenue bonds in which the BOCES guarantees the payment of principal and interest on bonds issued by the DASNY. The revenue bonds were paid by the component districts of the BOCES through rental charges which are a part of the BOCES administrative budget. The financing agreement is part of a building expansion and alteration project approved by a majority vote of the residents of the component districts.



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

The terms of the revenue bonds are as follows:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
General Fund - Refunded	03/20/14	\$ <u>6,065,000</u>	08/15/23	3.0% to 5.0%	\$ <u>0</u>

Interest expense on the Revenue Bond for the year ended June 30, 2024 is reported in the administrative expenditures. The amount is calculated as follows:

Interest Paid	\$ 36,250
Less: Interest Accrued in the Prior Year	<u>(27,187)</u>
Total Interest Expense	<u>\$ 9,063</u>

The Dormitory Authority Act provides that bond payments, including principal and interest, are required to be withheld by the State Comptroller from any State Aid payable to the BOCES, the form of a lease payment to DASNY.

***Software Subscription Liability***

The BOCES has recorded \$881,413 as intangible right-to-use software arrangements in the capital assets. Due to the implementation of GASB Statement No. 96, these arrangements for software met the criteria of a SBITA; thus, requiring it to be recorded by the BOCES as intangible assets and a SBITA liability. These assets will be amortized over the lease terms of three years and will be replaced at the end of the arrangement term with new upgraded software. There are no residual value guarantees in the arrangement provisions. The accounting software arrangements will end in 2025. The BOCES calculated the amortization of the debt using an interest rate of 3.54%

For the Year Ending	<u>Software Subscription Liability</u>		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ <u>174,121</u>	\$ <u>12,267</u>	\$ <u>186,388</u>

***Lease Liability***

The BOCES has entered into agreements with vendors to lease certain buildings. The lease agreements qualify as other than short-term leases under GASB 87, *Leases* and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception of the agreements. The agreements were executed on various dates ranging from 2016 through 2024 and are for a term of 5 to 21 years. Annual lease payments for these agreements range from \$23,231 to \$560,000. The lease liability is measured at a discount rate of 4% to 5%. As a result of these leases, the BOCES has recorded a right-to-use asset with a net book value of \$12,220,266 at June 30, 2024.

Future lease payments are as follows:

For the Year Ending	<u>Leases</u>		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,218,483	\$ 378,498	\$ 1,596,981
2026	1,366,628	350,355	1,716,983
2027	951,898	304,392	1,256,290
2028	704,327	271,964	976,291
2029	729,685	249,606	979,291
2030-2034	3,205,410	943,924	4,149,334
2035-2039	2,908,277	471,674	3,379,951
2040-2042	<u>1,437,211</u>	<u>77,667</u>	<u>1,514,878</u>
Total	<u>\$ 12,521,919</u>	<u>\$ 3,048,080</u>	<u>\$ 15,569,999</u>

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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***Compensated Absences***

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

***Installment Purchase Agreements***

The BOCES is obligated under certain installment purchase agreements at various incremental interest rates ranging from 2% to 6% with a term of 3 to 5 years. Assets purchased under the agreements totaled \$13,492,938 at June 30, 2024. The accumulated depreciation for these assets was \$5,999,463 at June 30, 2024.

Interest expense on the Installment Purchase Agreements for the year ended June 30, 2024, was \$241,381 and is reported in the Instructional Support and Other Service expenditures.

**(b) *Pension Plans***

**New York State and Local Employees' Retirement System (ERS)**

***Plan Description***

The BOCES participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The BOCES also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

***Contributions***

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Employees who joined after April 1, 2012 must contribute at a specific percentage of earnings (between 3 and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2024, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2022	\$ 4,405,613
2023	\$ 3,957,228
2024	\$ 4,895,376



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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

At June 30, 2024, the BOCES reported a liability of \$14,514,009 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The BOCES' proportion of the net pension liability was based on a projection of the BOCES' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 and 2023, the BOCES' proportion was 0.098574% and 0.097481%, respectively.

For the year ended June 30, 2024, the BOCES recognized pension expense of \$6,452,377. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,674,951	\$ 395,759
Change of assumptions	5,487,421	
Net difference between projected and actual earnings on Pensions plan investments		7,090,016
Changes in proportion and differences between contributions and proportionate share of contributions	466,175	76,260
Contributions subsequent to the measurement date	1,223,844	
Total	<u>\$ 11,852,391</u>	<u>\$ 7,562,035</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions resulting from BOCES contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended 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:

Year Ended June 30,	
2025	\$ (2,528,736)
2026	\$ 2,839,499
2027	\$ 4,288,172
2028	\$ (1,532,423)

**Actuarial Assumptions**

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

Significant actuarial assumptions used in the April 1, 2023 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	4.40%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience
Cost of Living Adjustments	1.50%
Inflation rate	2.90%



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

Annuitant mortality rates were based on April 1, 2015 – March 31, 2020, System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/Absolute return strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.25%
	<u>100%</u>	

\* Real rates of return are net of the long-term inflation assumption of 2.90%.

#### Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

#### Sensitivity of the Proportionate Share of the Net Pension (Asset) Liability to the Discount Rate Assumption

The following presents the BOCES' proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9 percent, 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-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (assets)	\$ 45,633,527	\$ 14,514,009	\$ (11,477,245)

#### Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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**Payables to the Pension Plan**

The BOCES has recorded an amount due to ERS in amount of \$1,223,844 at June 30, 2024. This amount represents the three months of the BOCES' fiscal year that will be covered in the ERS 2024-2025 billing cycle and has been accrued as an expenditure in the current year.

**New York State Teachers' Retirement System (TRS)**

***Plan Description***

The BOCES participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at [www.nystrs.org](http://www.nystrs.org).

***Contributions***

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	<u>Amount</u>
2022	\$ 2,339,975
2023	\$ 2,586,178
2024	\$ 2,632,166

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

At June 30, 2024, the BOCES reported a liability of \$1,556,198 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The BOCES' proportion of the net pension liability was based on a projection of the BOCES' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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At June 30, 2023, the BOCES' proportion was 0.136081%, which was an increase of 0.001231% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the BOCES recognized pension expense of \$4,262,834. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,773,367	\$ 9,325
Changes of assumptions	3,350,449	730,212
Net difference between projected and actual earnings on Pensions plan investments	796,328	
Changes in proportion and differences between contributions and proportionate share of contributions		414,237
Contributions subsequent to the measurement date	<u>2,632,166</u>	
Total	<u>\$ 10,552,310</u>	<u>\$ 1,153,774</u>

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from BOCES contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset.

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>Year ended June 30:</u>	
2024	\$ 507,646
2025	\$ (915,218)
2026	\$ 6,171,812
2027	\$ 423,555
2028	\$ 352,209
Thereafter	\$ 226,366

***Actuarial Assumptions***

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

Significant actuarial assumptions used in the June 30, 2022 valuation were as follows:

Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs	1.3% compounded annually.
Inflation rate	2.40%

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP 2021, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP 2021.

Most of the demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions and has updated the investment rate of return, inflation, projected COLA, and mortality improvement actuarial assumptions as of June 30, 2022 and updated the mortality improvement assumption as of June 30, 2023.

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

The Long-Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.8%
International equity	15.0%	7.6%
Global equities	4.0%	7.2%
Real estate equities	11.0%	6.3%
Private equities	9.0%	10.1%
Domestic fixed income	16.0%	2.2%
Global bonds	2.0%	1.6%
High-yield bonds	1.0%	4.4%
Private debt	2.0%	6.0%
Real estate debt	6.0%	3.2%
Cash equivalents	1.0%	0.3%
	100.0%	

\* Real rates of return are net of the long-term inflation assumption of 2.4% for 2023.

#### **Discount Rate**

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

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

The following presents BOCES' proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the BOCES' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (assets)	\$ 23,701,691	\$ 1,556,198	\$ (17,069,119)



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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***Pension Plan Fiduciary Net Position***

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

***Payables to the Pension Plan***

The BOCES has recorded an amount due to TRS in amount of \$3,003,248 in the General Fund which includes \$371,082 for employee contribution amount at June 30, 2024. This amount represents contribution for the 2023-2024 fiscal year that will be made in 2024-2025 and has been accrued as an expenditure in the current year.

**4. POSTRETIREMENT HEALTH CARE BENEFITS**

***(a) Plan Description***

The BOCES administers the Broome BOCES' retiree medical plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). The Plan provides for continuation of medical insurance, reimbursement of Medicare Part B premiums, and dental and vision benefits for certain retirees and their spouses and can be amended by action of the BOCES subject to applicable collective bargaining and employment agreements. Generally, to be eligible an employee must be eligible to retire under the New York State Employees' Retirement System or Teachers' Retirement System. The differing provisions of the applicable contracts are as follows:

- **Management** - The BOCES provides reimbursement to employees retiring at a minimum age of fifty-five (55) and with a minimum of 10 years of service to the BOCES. Employees are required to contribute 25% for an individual plan, and 25% of individual plan and 75% for another individual plan for the spouse in a two-person plan, and 50% for a family plan. Surviving spouses contribute 25% of the individual plan premium. Current and future retirees contribute 25% of the dental premium for individual coverage plus an additional 50% of the difference between the individual and two-person or family dental premium. Surviving spouse contributes 25% of the individual dental premium.
- **Information Technology** - The BOCES provides reimbursement to employees retiring at a minimum age of fifty-five (55) and with a minimum of 10 years of service to the BOCES. Employees are required to contribute 35% for an individual plan, and 35% of individual plan plus 65% for another individual plan for the spouse in a two-person plan, and 50% for a family plan. Surviving spouses contribute 35% of the individual and family plan premium. Current and future retirees contribute 100% of the dental insurance premium, surviving spouses contribute 100% of the dental premium.
- **BOCES Teachers Association** - Members hired prior to July 1, 2009 must attain a minimum age of fifty-five (55) and be eligible to retire into TRS in order to receive postemployment benefits. It has been assumed for this valuation that these members will provide a minimum of five years of service. Members hired after July 1, 2009 must attain a minimum age of fifty-five (55) and with a minimum of 10 years of service to the BOCES to be eligible for postemployment benefits. Retirees are required to contribute 35% for individual and 65% for another individual plan for the spouse for two-person coverage. Retiree pays 50% of the family plan premium. Surviving spouses contribute 35% of the individual plan premium. Current and future retirees contribute 100% of the dental insurance premium, surviving spouses contribute 100% of the dental premium.
- **Support Services Association** - The BOCES provides reimbursement to employees retiring at a minimum age of fifty-five (55) and provide a minimum of 10 years of service to the BOCES. Employees are required to contribute 35% for an individual plan, and 35% of individual plan plus 65% for another individual plan for the spouse in a two-person plan, and 50% for a family plan. Surviving spouses contribute 35% of the individual plan premium. Current and future retirees contribute 100% of the dental insurance premium, surviving spouses contribute 100% of the dental premium.
- **Association of Unified Paraprofessionals** - The BOCES provides reimbursement to employees retiring at a minimum age of fifty-five (55) and with a minimum of 10 years of service to the BOCES. Employees are required to contribute 35% for an individual plan, and 35% of individual plan plus 65% for another individual plan for the spouse in a two-person plan, and 50% for a family plan. Surviving spouses contribute 35% of the individual plan premium. Current and future retirees contribute 100% of the dental insurance premium, surviving spouses contribute 100% of the dental premium.

***(b) Funding Policy***

The obligations of the Plan members, employers, and other entities are established by action of the BOCES pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement, as stated above. The employer currently contributes enough money

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the BOCES.

**(c) Employees Covered by Benefit Terms**

	Total
Retirees and Survivors	257
Active employees	1,013
Total	1,270

**(d) Total OPEB Liability**

The BOCES' total OPEB liability of \$146,418,890 was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2022.

**(e) Changes in the Total OPEB Liability**

Changes in the BOCES' total OPEB liability were as follows:

	Total OPEB Liability
Balance, June 30, 2023	\$ 140,041,513
Changes recognized for the year:	
Service cost	6,669,065
Interest on Total OPEB Liability	5,143,533
Changes of Assumptions or Other Inputs	(2,609,119)
Benefit payments	(2,826,102)
Net changes	6,377,377
Balance, June 30, 2024	\$ 146,418,890

**(f) 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 (2.65%)	Current Assumption (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 172,698,208	\$ 146,418,890	\$ 125,376,995

**(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

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



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	\$ 121,160,850	\$ 146,418,890	\$ 179,425,000

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

**(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the BOCES recognized OPEB credit of \$11,946,351. At June 30, 2024, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 48,053,480
Changes of assumptions or other inputs	6,424,802	48,182,904
Contributions subsequent to the measurement date	<u>3,216,917</u>	
Total	<u>\$ 9,641,719</u>	<u>\$ 96,236,384</u>

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

Year ended June 30:	Amount
2025	(23,758,949)
2026	(18,997,650)
2027	(11,260,757)
2028	(10,611,747)
2029	(11,184,971)
2030 and Thereafter	(13,997,508)

**(i) Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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Valuation Date	July 1, 2022
Measurement Date	July 1, 2023
Reporting Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.50%
Healthcare Cost Trend Rates	7.8 to 3.94%
Discount Rate	3.65%
Mortality - Actives	The Pub-2010 Mortality Table for employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Mortality - Retirees	The Pub-2010 Mortality Table for healthy retirees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The selected discount rate of 3.65% was based on the 20-year high quality tax exempt municipal bond index as of each measurement date.

Changes to Assumptions and Other Inputs:

- Changed the discount rate from 3.54% to 3.65%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

## 5. BUDGET REVISIONS

The budget was amended to provide for changes in program services by the component BOCES and carryover encumbrances. The increases were approved by the Board during the year.

Change from Adopted Budget to Revised Budget

Adopted Budget		\$ 147,251,677
Prior Year's Encumbrances		<u>2,960,830</u>
Original Budget		150,212,507
Budget Revisions		
Administration	\$ (401)	
Occupational Instruction	5,643	
Instruction for Special Needs	1,046,979	
Itinerant Services	955,008	
General Instruction	6,968,537	
Instruction Support	2,038,970	
Other Services and Internal Services	<u>5,338,227</u>	<u>16,352,963</u>
Revised Budget		<u>\$ 166,565,470</u>



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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**6. CONTINGENCIES**

***Litigation - Child Victims Act***

The BOCES has been named as a defendant in a lawsuit under the Child Victims Act, including claims for compensatory and punitive damages. The BOCES is party to one lawsuit dating from the 1970's to 1980's. The BOCES has determined its general liability insurance program or its reserves are insufficient to resolve the claim. The range of liability to the BOCES is not available due to being in the discovery stages of the litigation.

***Litigation Contingencies***

The BOCES is a defendant in various legal matters with an aggregate range of loss exceeding \$200,000. Due to procedural nature of the case, no accrued liability has been recorded at June 30, 2024.

***Construction Commitments***

At June 30, 2024, the BOCES has various ongoing capital projects. At June 30, 2024, the BOCES has \$385,019 outstanding in Project commitments via signed contracts.

***Potential Grantor Liability***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

***Encumbrances***

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. June 30, 2024, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance.

Significant encumbrances included in governmental fund balances are as follows:

	<u>General</u>
Administration	\$ 91,752
Occupational Instruction	255,893
Instruction for Special Needs	50,602
Itinerant Services	200
General Instruction	554,525
Instructional Support	644,437
Other Services and Internal Services	<u>2,081,109</u>
Total Encumbrances	<u>\$ 3,678,518</u>

**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**7. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS**

<u>Fund Type</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
General	\$ 574,421	\$ 6,690,269
Special Aid	825	574,421
Capital Fund	6,689,444	
Total	<u>\$ 7,264,690</u>	<u>\$ 7,264,690</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 flow issues.
- All interfund payables are expected to be repaid within one year.

**8. FUND BALANCE**

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Restricted</b>				
General Fund				
Unemployment Insurance Reserve	\$ 109,222	\$ 165,717	\$ 31,035	\$ 243,904
Career Education and Equipment Reserve	411,333	20,418		431,751
Employee Benefit Accrued Liability	5,246,645	979,038	656,271	5,569,412
Employees' Retirement System Contributions	5,895,819	1,036,527		6,932,346
Teachers' Retirement System Contributions	1,298,168	450,740		1,748,908
Total General Fund Restricted	<u>\$ 12,961,187</u>	<u>\$ 2,652,440</u>	<u>\$ 687,306</u>	<u>\$ 14,926,321</u>



**BROOME TIOGA BOCES**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2024:

	General	Special Aid	Miscellaneous Special Revenue	Capital	Total
<b>Non Spendable</b>	\$	\$ 84,789	\$	\$	\$ 84,789
<b>Restricted</b>					
Unemployment Insurance Reserve	243,904				243,904
Career Education and Equipment Reserve	431,751				431,751
Employee Benefit Accrued Liability	5,569,412				5,569,412
Employees' Retirement System Contributions	6,932,346				6,932,346
Teachers' Retirement System Contributions	1,748,908				1,748,908
Restricted for Endowments and Scholarships			127,810		127,810
<b>Total Restricted</b>	<u>14,926,321</u>		<u>127,810</u>		<u>15,054,131</u>
<b>Committed</b>					
Capital Project				6,550,702	6,550,702
<b>Assigned</b>					
Administration	91,752				91,752
Occupational Instruction	255,893				255,893
Instruction for Special Needs	50,602				50,602
Itinerant Services	200				200
General Instruction	554,525				554,525
Instructional Support	644,437				644,437
Other Services and Internal Services	2,081,109	644,215			2,725,324
<b>Total Assigned</b>	<u>3,678,518</u>	<u>644,215</u>			<u>4,322,733</u>
<b>Unassigned (Deficit)</b>	<u>(10,784,075)</u>				<u>(10,784,075)</u>
<b>Total Fund Balance</b>	<u>\$ 7,820,764</u>	<u>\$ 729,004</u>	<u>\$ 127,810</u>	<u>\$ 6,550,702</u>	<u>\$ 15,228,280</u>

**9. NET POSITION DEFICIT**

***Net Position Deficit – BOCES-Wide***

The BOCES-wide net position had a deficit at June 30, 2024 of \$182,970,071. The deficit is mainly the result of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which requires the recognition of an unfunded liability of \$146,418,890 at June 30, 2024. Since New York State Law provides no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

**BROOME TIOGA BOCES**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
<b>Revenues</b>					
Administration	\$ 3,694,113	\$ 3,693,712	\$ 3,966,165		\$ 272,453
Administration - Capital	2,184,944	2,184,944	2,184,944		
Occupational Instruction	13,861,460	13,867,103	13,574,164		(292,939)
Instruction for Special Needs	45,568,332	46,615,311	46,221,205		(394,106)
Itinerant Services	1,388,328	2,343,336	2,502,999		159,663
General Instruction	11,953,387	18,921,924	18,722,221		(199,703)
Instruction Support	19,021,863	21,060,833	20,603,605		(457,228)
Other Services and Internal Services	52,540,080	57,878,307	56,377,133		(1,501,174)
Total Revenues	<u>\$ 150,212,507</u>	<u>\$ 166,565,470</u>	<u>164,152,436</u>		<u>\$ (2,413,034)</u>
	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual
<b>Expenditures</b>					
Administration	\$ 3,694,113	\$ 3,693,712	3,802,315	\$ 91,752	\$ (200,355)
Administration - Capital	2,184,944	2,184,944	2,091,839		93,105
Occupational Instruction	13,861,460	13,867,103	13,362,700	255,893	248,510
Instruction for Special Needs	45,568,332	46,615,311	45,630,352	50,602	934,357
Itinerant Services	1,388,328	2,343,336	2,197,853	200	145,283
General Instruction	11,953,387	18,921,924	17,292,210	554,525	1,075,189
Instruction Support	19,021,863	21,060,833	19,552,464	644,437	863,932
Other Services and Internal Services	52,540,080	57,878,307	51,598,223	2,081,109	4,198,975
Total Expenditures	<u>\$ 150,212,507</u>	<u>\$ 166,565,470</u>	<u>155,527,956</u>	<u>\$ 3,678,518</u>	<u>\$ 7,358,996</u>
Excess Revenues Over Expenditures			8,624,480		
<b>Other Financing Sources and (Uses)</b>					
Return of Surplus			(6,153,999)		
<b>Net Change in Fund Balance</b>			2,470,481		
<b>Fund Balance - Beginning of Year</b>			<u>5,350,283</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 7,820,764</u>		

Notes to Required Supplementary Information:

The BOCES administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.



**BROOME TIOGA BOCES**  
**SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS**  
**For the Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Measurement Date	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB Liability							
Service cost	\$ 6,669,065	\$ 12,321,911	\$ 12,672,852	\$ 9,267,568	\$ 9,980,864	\$ 12,455,127	\$ 16,434,962
Interest on Total OPEB Liability	5,143,533	4,885,788	4,676,202	6,664,175	7,099,645	8,243,553	7,088,144
Changes in Benefit Terms						395,251	
Change in assumptions and other inputs	(2,609,119)	(46,415,848)	2,747,634	9,577,321	(6,674,493)	(12,426,809)	(36,902,227)
Differences between expected and actual experience		(45,118,295)		(4,835,190)		(49,294,835)	
Benefit payments	(2,826,102)	(3,235,949)	(2,825,590)	(2,956,942)	(2,525,283)	(2,339,170)	(2,381,429)
Net change in total OPEB Liability	<u>6,377,377</u>	<u>(77,562,393)</u>	<u>17,271,098</u>	<u>17,716,932</u>	<u>7,880,733</u>	<u>(42,966,883)</u>	<u>(15,760,550)</u>
Total OPEB Liability - Beginning	<u>140,041,513</u>	<u>217,603,906</u>	<u>200,332,808</u>	<u>182,615,876</u>	<u>174,735,143</u>	<u>217,702,026</u>	<u>233,462,576</u>
Total OPEB Liability - Ending	<u>\$ 146,418,890</u>	<u>\$ 140,041,513</u>	<u>\$ 217,603,906</u>	<u>\$ 200,332,808</u>	<u>\$ 182,615,876</u>	<u>\$ 174,735,143</u>	<u>\$ 217,702,026</u>
Covered payroll	\$ 60,745,116	\$ 55,711,152	\$ 53,634,963	\$ 53,739,557	\$ 50,445,600	\$ 48,126,379	\$ 48,238,840
Total OPEB Liability as a percentage of covered payroll	241%	251%	406%	373%	362%	363%	451%

\* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

**Notes to Required Supplementary Information:**

The Net OPEB Liability is equal to the Total OPEB Liability minus the Net Position. The BOCES operates the OPEB Plan on a pay-as-you-go basis.

**Changes in Assumptions and Other Inputs**

Changes of assumptions and other inputs reflects a change in the discount rate from 3.54 % on July 1, 2022 to 3.65% on July 1, 2023.

**BROOME TIOGA BOCES**  
**SCHEDULE OF BOCES' CONTRIBUTIONS**  
**For the Year Ended June 30, 2024**

**ERS Pension Plan**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 4,895,376	\$ 3,957,228	\$ 4,405,613	\$ 4,042,053	\$ 3,732,960	\$ 3,766,830	\$ 3,689,976	\$ 3,604,373	\$ 3,522,601	\$ 4,360,837
Contributions in Relation to the Contractually Required Contribution	<u>4,895,376</u>	<u>3,957,228</u>	<u>4,405,613</u>	<u>4,042,053</u>	<u>3,732,960</u>	<u>3,766,830</u>	<u>3,689,976</u>	<u>3,604,373</u>	<u>3,522,601</u>	<u>4,360,837</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
BOCES Covered-ERS Employee Payroll	\$ 32,957,072	\$ 31,088,626	\$ 28,057,521	\$ 28,463,366	\$ 26,144,154	\$ 27,025,540	\$ 24,780,672	\$ 24,014,922	\$ 23,484,769	\$ 22,382,380
Contributions as a Percentage of Covered-Employee Payroll	14.85%	12.73%	15.70%	14.20%	14.28%	13.94%	14.89%	15.01%	15.00%	19.48%

**TRS Pension Plan**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 2,632,166	\$ 2,586,178	\$ 2,339,975	\$ 2,153,013	\$ 1,927,219	\$ 2,192,637	\$ 1,934,570	\$ 2,240,885	\$ 2,419,276	\$ 3,030,575
Contributions in Relation to the Contractually Required Contribution	<u>2,632,166</u>	<u>2,586,178</u>	<u>2,339,975</u>	<u>2,153,013</u>	<u>1,927,219</u>	<u>2,192,637</u>	<u>1,934,570</u>	<u>2,240,885</u>	<u>2,419,276</u>	<u>3,030,575</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
BOCES Covered-TRS Employee Payroll	\$ 26,968,914	\$ 25,132,925	\$ 23,877,296	\$ 22,591,952	\$ 21,751,907	\$ 20,646,299	\$ 19,740,510	\$ 19,120,175	\$ 18,246,418	\$ 17,287,935
Contributions as a Percentage of Covered-Employee Payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

See Independent Auditor's Report.



**BROOME TIOGA BOCES**  
**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET**  
**For the Year Ended June 30, 2024**

**ERS Pension Plan**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
BOCES's proportion of the net pension asset/liability	0.098574%	0.097481%	0.094515%	0.096517%	0.094342%	0.094220%	0.092363%	0.092346%	0.092996%	0.092682%
BOCES's porportionate share of the net pension (asset) liability	\$ 14,514,009	\$ 20,903,821	\$ (7,726,214)	\$ 96,106	\$ 24,982,349	\$ 6,675,749	\$ 2,980,958	\$ 8,677,053	\$ 14,926,152	\$ 3,131,035
BOCES's covered-employee payroll	\$ 32,957,072	\$ 31,088,626	\$ 28,057,521	\$ 28,463,366	\$ 26,144,154	\$ 27,025,540	\$ 24,780,672	\$ 24,014,922	\$ 23,484,769	\$ 22,382,380
BOCES's proportionate share of the net pension liability as a percentage of its covered-employee payroll	44.04%	67.24%	-24.85%	0.34%	95.56%	24.70%	12.03%	36.13%	63.56%	13.99%
Plan fiduciary net position as a percentage of total pension liability	93.88%	90.78%	103.65%	99.80%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

**TRS Pension Plan**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
BOCES's Proportion of the net pension asset/liability	0.136081%	0.134850%	0.133111%	0.128191%	0.123693%	0.121190%	0.120172%	0.118245%	0.115089%	0.112771%
BOCES's porportionate share of the net pension (asset) liability	\$ 1,556,198	\$ 2,587,634	\$ (23,066,791)	\$ 3,542,254	\$ (3,213,541)	\$ (2,191,436)	\$ (913,426)	\$ 1,266,455	\$ (11,954,086)	\$ (12,562,030)
BOCES's covered-employee payroll	\$ 25,132,925	\$ 23,877,296	\$ 22,591,952	\$ 21,751,907	\$ 20,646,299	\$ 19,740,510	\$ 19,120,175	\$ 18,246,418	\$ 17,287,935	\$ 16,658,092
BOCES's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	06.19%	10.84%	-102.10%	16.28%	-15.56%	-11.10%	-04.78%	06.94%	69.15%	75.41%
Plan fiduciary net position as a percentage of total pension asset/liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

See Independent Auditor's Report.

**BROOME TIOGA BOCES**  
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2024**

Project Title	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2024
			Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	Total	
Auto Body HVAC	\$ 24,000	\$ 626,100	\$ 600,546	\$ 48,609	\$ 649,155	\$ (23,055)	\$	\$ 617,893	\$ 617,893	\$ (31,262)
ED Center Partial Roof Replacement	892,230	892,230	770,120		770,120	122,110		803,772	803,772	33,652
ED Center Roof Replacement - Emergency	3,954,720	3,954,720	3,811,270		3,811,270	143,450		3,808,881	3,808,881	(2,389)
Electrical Upgrades	887,000	2,283,955		67,700	67,700	2,216,255		2,489,000	2,489,000	2,421,300
Building Trades Complex	1,445,600	1,445,600	5,900	314,393	320,293	1,125,307		2,104,291	2,104,291	1,783,998
Master Plan	116,100	116,100		219,445	219,445	(103,345)		263,144	263,144	43,699
O&M Building	2,473,000	2,473,000		37,745	37,745	2,435,255		1,969,742	1,969,742	1,931,997
Ed Center Addition	40,000,000	40,000,000				40,000,000		21,205	21,205	21,205
Ed Center HVAC Project	96,300	1,840,000		979,859	979,859	860,141		1,327,305	1,327,305	347,446
Subscription-Based IT Arrangements	881,813	881,813	881,413		881,413	400	881,413		881,413	
Installment Purchases- 2023	3,272,729	3,272,729	2,843,993	428,736	3,272,729		3,272,729		3,272,729	
Installment Purchases- 2024	2,766,326	2,766,326		2,765,270	2,765,270	1,056	2,766,326		2,766,326	1,056
Leases-2024	<u>1,268,476</u>	<u>1,268,476</u>		<u>1,268,476</u>	<u>1,268,476</u>		<u>1,268,476</u>		<u>1,268,476</u>	
Total	<u>\$ 58,078,294</u>	<u>\$ 61,821,049</u>	<u>\$ 8,913,242</u>	<u>\$ 6,130,233</u>	<u>\$ 15,043,475</u>	<u>\$ 46,777,574</u>	<u>\$ 8,188,944</u>	<u>\$ 13,405,233</u>	<u>\$ 21,594,177</u>	<u>\$ 6,550,702</u>

See Independent Auditor's Report.



**BROOME TIOGA BOCES**  
**SCHEDULE OF A431 SCHOOL DISTRICT ACCOUNT**  
**For the Year Ended June 30, 2024**

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Debit Balance, Beginning of Year	\$ 3,913,245
Debits	
Billings to Components	161,728,575
Encumbrances - June 30, 2023	2,960,830
Refund Balances Due School Districts - June 30, 2023	<u>5,073,282</u>
Total Debits	<u>169,762,687</u>
Subtotal	<u>173,675,932</u>
Credits	
Collections from Components	161,728,575
Encumbrances - June 30, 2024	3,678,518
Adjustments - Credits to School Districts - Revenue in Excess of Expenditures	<u>3,816,399</u>
Total Credits	<u>169,223,492</u>
Balance, End of Year	<u>\$ 4,452,440</u>
<u>Summary:</u>	
A380 Accounts Receivable Components	\$ 10,606,439
A431 School District Accounts	<u>(6,153,999)</u>
Balance, End of Year	<u>\$ 4,452,440</u>

See Independent Auditor's Report.

**BROOME TIOGA BOCES**  
**NET INVESTMENT IN CAPITAL ASSETS**  
**For the Year Ended June 30, 2024**

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Capital, Software Subscription Assets, Right to Use Assets, Net	\$ 61,940,457
Add:	
Fund Balance Capital Fund	<u>6,550,702</u>
Deduct:	
Long-Term Debt, Software Subscription Assets, and Lease Payable	<u>(19,126,906)</u>
Net Investment in Capital Assets	<u><u>\$ 49,364,253</u></u>

See Independent Auditor's Report.



**D'Arcangelo & Co., LLP**  
Certified Public Accountants & Consultants

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315-336-9220 Fax: 315-336-0836

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Education  
Broome - Tioga BOCES

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 Broome - Tioga BOCES, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Broome - Tioga BOCES's basic financial statements, and have issued our report thereon dated October 15, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Broome - Tioga BOCES'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 Broome - Tioga BOCES's internal control. Accordingly, we do not express an opinion on the effectiveness of Broome - Tioga BOCES's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Broome - Tioga BOCES's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BOCES'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 school BOCES's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*D'Arcangelo & Co., LLP*

October 15, 2024

Rome, New York



**D'Arcangelo & Co., LLP**  
Certified Public Accountants & Consultants

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**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance  
Required by the Uniform Guidance**

Board of Education  
Broome Tioga BOCES, New York

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Broome Tioga BOCES's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Broome Tioga BOCES's major federal programs for the year ended June 30, 2024. Broome Tioga BOCES's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Broome Tioga BOCES complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Broome Tioga BOCES and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Broome Tioga BOCES's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Broome Tioga BOCES's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Broome Tioga BOCES's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Broome Tioga BOCES's compliance with the requirements of each major federal program as a whole.

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



- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Broome Tioga BOCES's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Broome Tioga BOCES's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Broome Tioga BOCES's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*D'Arcangelo & Co., LLP*

October 15, 2024

Rome, New York

**BROOME TIOGA BOCES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Agency or Pass-through Number</u>	<u>Current Year Expenditures</u>	<u>Subrecipients</u>
<u>U.S. Department of Commerce</u>				
(Passed Through the Research Foundation for the SUNY)				
Economic Adjustment Assistance	11.307	95782-4	\$ 331,709	\$
Total U.S. Department of Commerce			<u>331,709</u>	
<u>U.S. Department of Education</u>				
(Passed Through the State Education Department of the State of New York )				
Adult Education - State Grant Program	84.002	2338-24-4100	68,092	
Vocational Education - Basic Grants to States	84.048	8000-24-0077	<u>156,430</u>	
Total Pass-Through Grants			<u>224,522</u>	
<u>(Direct)</u>				
Federal Direct Student Loans (Direct Loan)	84.268	N/A	246,193	
Federal Pell Grant Program	84.063	N/A	<u>180,147</u>	
Total Student Financial Aid Cluster			<u>426,340</u>	
Total Direct Programs			<u>426,340</u>	
Total U.S. Department of Education			<u>650,862</u>	
<u>Total Federal Financial Assistance</u>			<u>\$ 982,571</u>	<u>\$</u>

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.



**BROOME TIOGA BOCES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Broome-Tioga BOCES. The BOCES' organization is defined in Note 1 to the BOCES' basic financial statements.

***Basis of Accounting***

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the BOCES and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. CLUSTER PROGRAMS**

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Education

Student Financial Aid Cluster

ALN #84.268 Federal Direct Student Loans (Direct Loan)

ALN #84.063 Federal Pell Grant Program

**3. STUDENT FINANCIAL AID CLUSTER**

The Student Financial Aid Cluster revenue of \$426,340 is reported by the BOCES as Charges for Services since the amounts are for tuition paid by the program for qualifying students.

**4. Indirect Cost Rate**

The BOCES has not elected to use the 10% de minimis indirect cost rate.

**BROOME TIOGA BOCES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS**  
**For the Year Ended June 30, 2024**

**d. Summary of Auditor's Results**

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Education- <i>Student Financial Aid Cluster</i> Federal Direct Student Loan ALN # 84.268 Federal Pell Grant Program ALN # 84.063
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

(Continued)



**BROOME TIOGA BOCES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS**  
**For the Year Ended June 30, 2024**

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**A. Findings – Financial Statement Audit**

No findings noted.

**B. Findings and Questioned Costs - Major Federal Award Programs**

No findings noted.

**BROOME TIOGA BOCES**  
**STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS**  
**For the Year Ended June 30, 2024**

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**A. Findings – Financial Statements Audit**

No findings noted.

**B. Findings and Question Costs – Major Federal Award Programs Audit and Financial Statement Audit**

Not applicable.