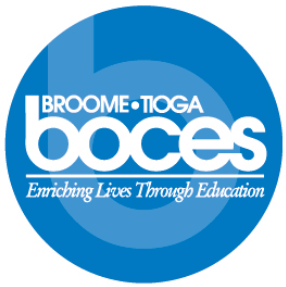

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended
June 30, 2026

BROOME TIOGA BOCES
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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

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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, 2026, 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, 2026, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 financials 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 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 20, 2026, 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

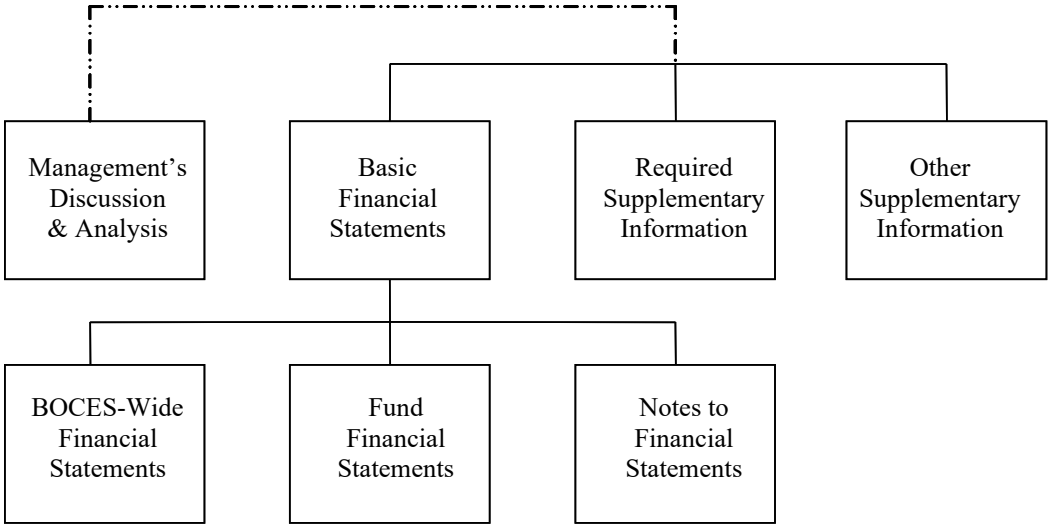
October 20, 2026

Rome, New York

The following is a discussion and analysis of the BOCES' financial performance for the year ended June 30, 2026. 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. 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:



- 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.
- 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.

2. FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE

A. Net Position

The BOCES total Net Position (Deficit), increased by $30,567,951 between fiscal year 2026 and 2025. A summary of the BOCES Statement of Net Position for the June 30, 2026 and 2025, is as follows:

	2026	2025	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 104,725,831	$ 62,783,033	$ 41,942,798	66.8%
Net Pension Asset - Proportionate Share	8,797,008	4,215,493	4,581,515	100.0%
Capital, Software Subscription and Right to Use Assets, Net	82,006,229	66,528,957	15,477,272	23.3%
Total Assets	195,529,068	133,527,483	62,001,585	46.4%
Deferred Outflow of Resources	23,547,340	25,447,153	(1,899,813)	(7.5%)
Total Assets and Deferred Outflow of Resources	$ 219,076,408	$ 158,974,636	$ 60,101,772	37.8%
Non-Current Liabilities	$ 183,033,366	$ 157,854,380	$ 25,178,986	16.0%
Net Pension Liability - Proportionate Share	5,450,369	16,651,782	(11,201,413)	(67.3%)
Other Liabilities	35,587,770	28,131,306	7,456,464	26.5%
Total Liabilities	224,071,505	202,637,468	21,434,037	10.6%
Deferred Inflow of Resources	126,080,190	117,980,406	8,099,784	6.9%
Total Liabilities and Deferred Inflow of Resources	350,151,695	320,617,874	29,533,821	9.2%
Net Investment in Capital Assets	65,486,048	56,716,597	8,769,451	15.5%
Restricted	18,264,149	16,210,999	2,053,150	12.7%
Unrestricted (Deficit)	(214,825,484)	(234,570,834)	19,745,350	8.4%
Total Net Position (Deficit)	(131,075,287)	(161,643,238)	30,567,951	18.9%
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 219,076,408	$ 158,974,636	$ 60,101,772	37.8%

Current and other assets increased by $41,942,798 as compared to the prior year. Most of this increase was due to the increases in cash; due from components and prepaids in the General Fund in the amount of $6,238,564, Cash with Fiscal Agent in the Capital Fund from installment purchase debt in the amount of $1,087,800, restricted investments in the Capital and Debt Service Funds from revenue bonds issued in 2025-26 in the amount of $34,484,055, and receivable from State and Federal Aid in the Special Aid Fund in the amount of $1,030,435.

Capital, Software Subscription and Right to Use Assets increased by $15,477,272, as compared to the prior year. The majority of this increase was due to the net increases in the following categories: Construction in Progress, Buildings and Improvements and Intangibles. 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 $1,899,813 as follows:

Other Postemployment Benefits	$ (1,020,529)
New York State retirement systems	$ (879,284)

Non-current liabilities increased by $25,178,986, as compared to the prior year. This increase is primarily the result of the current year's increase of $37,320,000 issuance of DASNY Revenue Bonds, $3,284,312 issuance of Premium on Revenue Bond offset with a decrease of $15,004,439 in the OPEB liability.

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.

Other liabilities increased by $7,456,464, as compared to the prior year, due to an increase in the Accounts Payable in the amount of $5,260,097, refund of surplus due to components in the amount of $1,169,846 and accrued interest in the amount of

$608,147. The Capital Fund accounts for most of the increase in the Accounts Payable with current year balance of $ 4,036,224 compared to prior year balance of $1,098,730, an increase of $2,937,494. This increase reflects the timing of the work being completed by the contractors for the approved BOCES's capital projects.

As described above, the deferred inflow of resources increased by $8,099,784 as follows:

Other Postemployment Benefits	$	3,345,648
New York State retirement systems	$	(11,527,242)
Lease Deferred Revenue	$	81,810

The net investment 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, 2026 is $18,264,149 and represents the amount of the BOCES's restricted funds in the General, Miscellaneous Special Revenue and Debt Service Funds.

The net position at June 30, 2026, is a deficit balance of $131,075,287, 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, 2026 in the amount of $112,460,307.

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, 2026 and 2025 is as follows:

Revenues	2026	Percent of Total	2025	Percent of Total	Increase (Decrease)	Percentage Change
Program Revenues						
Charges for Services	$ 185,343,817	98.0%	$ 171,345,865	96.6%	$ 13,997,952	8.2%
Operating Grants	2,997,819	1.6%	3,891,358	2.2%	(893,539)	(23.0%)
General Revenues						
Interest and Earnings	1,474,946	0.8%	1,199,295	0.7%	275,651	23.0%
Miscellaneous	1,276,873	0.7%	1,169,779	0.7%	107,094	9.2%
Loss on Sales of Property	(1,904,817)	(1.0%)	(163,308)	(0.1%)	(1,741,509)	(1066.4%)
Total Revenues	189,188,638	100.0%	177,442,989	100.0%	11,745,649	6.6%
Expenses						
Administration	2,250,417	1.4%	2,758,397	1.8%	(507,980)	(18.4%)
Administration- Capital	5,011,384	3.2%	4,188,472	2.8%	822,912	19.6%
Occupation Instruction	14,728,397	9.3%	14,284,776	9.5%	443,621	3.1%
Instruction for Special Needs	44,430,506	28.0%	43,610,166	29.1%	820,340	1.9%
Itinerant Services	1,956,568	1.2%	1,734,977	1.2%	221,591	12.8%
General Instruction	17,721,727	11.2%	17,410,636	11.6%	311,091	1.8%
Instructional Support	37,351,287	23.5%	26,684,103	17.8%	10,667,184	40.0%
Other Services	35,170,401	(22.2%)	38,983,752	(26.0%)	(3,813,351)	(9.8%)
Total Expenses	158,620,687	100.0%	149,655,279	100.0%	8,965,408	6.0%
Total Change in Net Position	$ 30,567,951		$ 27,787,710		$ 2,780,241	10.0%

The BOCES revenues increased by 6.6% in 2026 or $11,745,649. The major factors that contributed to the increase were:

- Charges for Services increased by $13,529,541 mainly due to increased services for special needs instruction and other services from the BOCES' regional information center.
- The BOCES incurred an increase in Loss on Sales of Property in the amount of $2,518,295 as a result of disposals to the BOCES Capital assets.

The BOCES expenditures for the year increased by $8,965,408 or 6.0%. The primary reason for this increase was due to an increased demand for instructional support, occupation instruction and administration-capital from the BOCES' regional information center.

3. FINANCIAL ANALYSIS MAJOR GOVERNMENTAL FUNDS

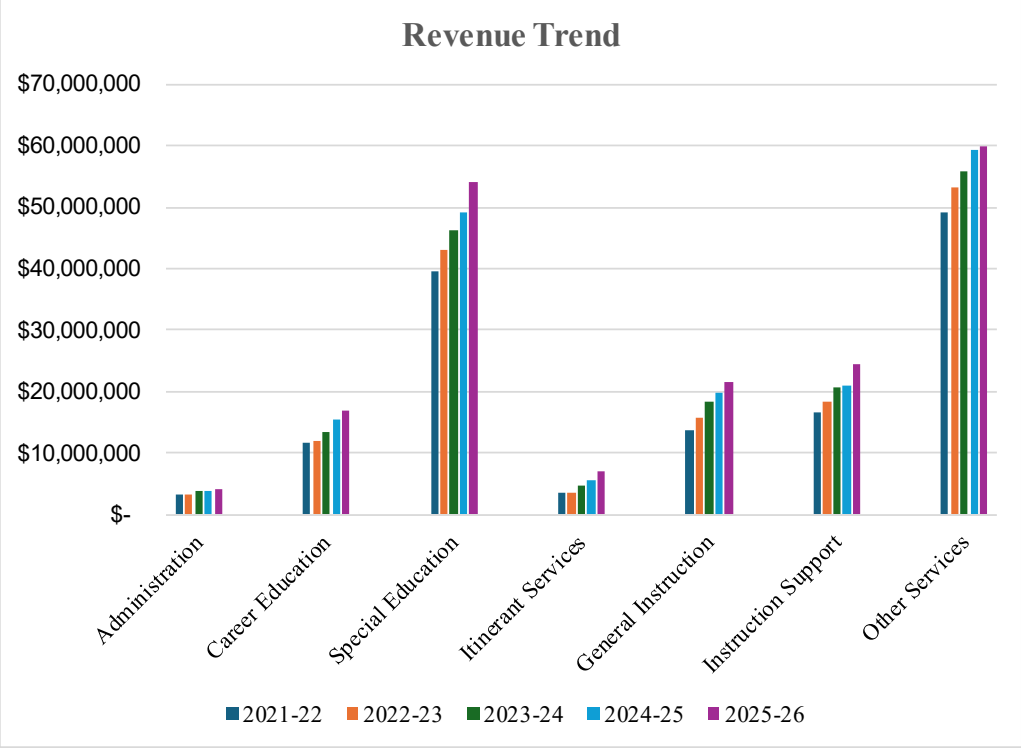
The BOCES reports three major funds individually in the governmental fund financial statements. Those funds are the General Fund, Special Aid Fund and Capital Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the BOCES's current financial health are more apparent in the fund financial statements than in the BOCES-wide financial statements.

A summary of the major funds for the years ended June 30, 2026 and 2025 is as follows:

	General Fund		Special Aid Fund		Capital Fund	
	2026	2025	2026	2025	2026	2025
Total Revenues	$188,579,192	$174,176,235	$8,712,867	$8,815,654	$ 7,708,636	$ 6,381,379
Total Expenditures	179,264,728	167,939,309	8,933,740	8,515,700	17,523,847	7,547,000
Other Financing Sources (Uses)						
Return of Surplus	(6,501,446)	(5,331,600)				
Proceeds of Debt					39,541,099	2,272,305
Premium on Bonds					2,680,000	
Proceeds of SBITA						360,484
Total Other Financing Sources (Uses)	(6,501,446)	(5,331,600)			42,221,099	2,632,789
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	2,813,018	905,326	(220,873)	299,954	32,405,888	1,467,168
Fund Balance, Beginning of Year	8,726,090	7,820,764	1,028,958	729,004	8,017,870	6,550,702
Fund Balance, End of Year	$ 11,539,108	$ 8,726,090	$ 808,085	$1,028,958	$40,423,758	$ 8,017,870

General Fund

The BOCES has seen an increase in demand for requested services and therefore has seen an average 8.17% increase in Charges for Services revenue over the last four years, net of the return of surplus. This has been the trend over the past few years as evidenced by the graph below:



Special Aid Fund

The Special Aid Fund is used to account for various Federal and State grant programs as well as other programs such as Adult Education Programs. The revenues and expenses were consistent from year to year and there were no significant changes to the grant programs.

Capital Fund

Capital Fund revenues consist of transfers from the General Fund for capital projects. For the current year and prior year, spending consisted primarily of various approved construction projects. For the current year, it was noted that majority of the increase in spending occurred on Ed Center Addition in the amount of $8,904,700. In addition, the BOCES purchases a portion of the information technology equipment for participating school districts and finances the installment purchase agreements. These purchases are made annually and fluctuate with demand. Other financing sources consisted of the issuance of DASNY Revenue Bond in the amount of $37,320,000, Premium on Revenue Bond in the amount of $3,284,312 and Installment Purchase Agreement financing in the amount of $2,952,712.

4. FINANCIAL ANALYSIS OF THE BOCES' FUND BALANCES

At June 30, 2026, the BOCES governmental funds reported a combined fund balance of $53,357,841 which is an increase of $35,447,169 from the prior year. A summary of the change in fund balance by fund is as follows:

Major Funds	2026	2025	Increase/ (Decrease)
General Fund			
Nonspendable	$ 841,964	$	$ 841,964
Restricted			
Unemployment Insurance Reserve	488,927	405,645	83,282
Career Education and Instructional Equipment Reserve	467,478	450,900	16,578
Employee Benefit Accrued Liability	6,576,034	5,842,192	733,842
Employees' Retirement System Contributions	7,993,211	7,447,278	545,933
Teachers' Retirement System Contributions	2,151,609	1,927,230	224,379
Total Restricted	17,677,259	16,073,245	1,604,014
Assigned			
Administration	66,329	77,467	(11,138)
Occupational Instruction	463,318	303,121	160,197
Instruction for Special Needs	128,967	50,901	78,066
General Instruction	255,204	177,958	77,246
Instructional Support	743,613	942,805	(199,192)
Other Services and Internal Services	2,388,567	2,029,066	359,501
Total Assigned	4,045,998	3,581,318	464,680
Unassigned (Deficit)	(11,026,113)	(10,928,473)	(97,640)
Total General Fund	11,539,108	8,726,090	2,813,018
Special Aid			
Assigned	808,085	1,028,958	(220,873)
Capital Fund			
Committed	40,423,758	8,017,870	32,405,888
Non-Major Funds			
Miscellaneous Special Revenue	133,180	137,754	(4,574)
Debt Service Fund	453,710		453,710
Total Non-Major Funds Fund Balance	586,890	137,754	449,136
Total Fund Balances	$ 53,357,841	$ 17,910,672	$ 35,447,169

Note 8 to the Financial Statements provides additional information on the restricted fund balances.

General Fund

The BOCES leases various technology equipment to school districts and other BOCES. Frequently, the BOCES receives payment for the full lease at the beginning of the term of the lease. These funds are used to purchase the assets being leased and expensed in the General Fund. However, accounting standards require that these funds be a deferred revenue and recognized as revenue over the term of the lease. This accounting treatment results in the recording of a Deferred Outflow or Resources at June 30, 2026 and 2025 in the amount of $16,905,536 and $16,987,346, respectively. The deferral resulted in a General Fund deficit unassigned fund balance at June 30, 2026 and 2025 in the amount of $11,026,113 and $10,928,473, respectively.

Capital Fund

The increase in the Capital Fund's fund balance was due to the recognition of permanent financing from the issuance of the DASNY Revenue Bonds including the issuance of Premium on Revenue Bond. See section 3 above.

5. SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

A. Capital Assets

At June 30, 2026 and 2025, the BOCES had $82,006,229 and $66,528,957, respectively, in a broad range of owned and leased capital assets including buildings, transportation equipment, computer equipment, and furniture and fixtures. During 2026, capital asset activity primarily consisted of completion of the Emergency Electrical Upgrade -ED Center and New Animal Science Building projects which were fully placed into service and reclassified to building and improvements out of Construction In Progress. Other construction work recorded in Construction in Progress include the work done on the O&M Building 2A; O&M Building 2B, Ed Center 3B and Ed Center Addition. After annual depreciation and disposals, net capital assets increased by $16,885,862.

A summary of the BOCES capital assets net of accumulated depreciation at June 30, 2026 and 2025, can be found in Note 3 of the financial statements.

B. Long-Term Liabilities

The summary of the long-term liabilities at June 30, 2026 and 2025, is as follows:

	2026	2025	Increase (Decrease)
Revenue Bonds	$ 37,320,000	$	$ 37,320,000
Premium on Bonds	3,232,180		3,232,180
Installment Purchase Agreements	5,817,727	6,046,466	$ (228,739)
Compensated Absences	14,146,288	12,805,695	1,340,593
Software Subscription Liability	120,055	234,037	(113,982)
Lease Liability	9,936,808	11,303,436	(1,366,628)
OPEB liability	112,460,307	127,464,746	(15,004,439)
Total Long Term Liabilities	$ 183,033,365	$ 157,854,380	$ 25,178,985

Further details on the BOCES long-term debt activity can be found in Note 3 of the financial statements

6. CURRENTLY KNOWN FACTS, DECISION, OR CONDITIONS

BOCES has financial and operational challenges that are expected to influence future budgets and long-term financial planning.

- **Rising health insurance costs** remain a significant financial concern, with projected increases continuing to outpace the growth in service charges to participating school districts. While cost-containment measures, including modifications to prescription drug copays, have helped mitigate some of these increases, health insurance expenses remain a substantial and ongoing budgetary pressure. Additionally, health insurance benefits are established through collective bargaining agreements, limiting BOCES' ability to independently modify plan offerings or benefit structures. Recognizing the need for a sustainable, long-term approach, BOCES is actively collaborating with the health insurance consortium to evaluate potential cost-containment strategies and develop solutions that balance fiscal responsibility with the needs of employees, participating districts, and all consortium members. These collaborative efforts will remain a priority as BOCES works to manage future increases while maintaining competitive and comprehensive employee benefits.
- **Facility capacity constraints and infrastructure needs** also continue to present financial and operational challenges. Existing instructional space limitations restrict BOCES' ability to fully accommodate current programming requests and anticipated enrollment growth, which is projected to increase by approximately 17% between 2023 and 2033. In November 2023, voters approved a referendum authorizing infrastructure improvements, space reconfigurations, and additional classroom construction to address these needs. Implementation is ongoing, with projects at various stages of completion, construction, and planning. However, construction costs exceeded original estimates have necessitated a phased approach to implementation and may extend project timelines. These factors are expected to continue influencing capital planning, resource allocation, and future financial commitments as BOCES works to expand capacity and meet the evolving needs of its component districts.
- **Workforce recruitment, retention, and compensation pressures** remain additional factors affecting BOCES' financial outlook. Economic conditions and employment trends at the local, state, and national levels continue to create challenges in attracting and retaining qualified personnel. Maintaining a skilled and stable workforce is essential to ensuring the continuity and quality of instructional programs and support services.
- Collectively, these factors will continue to shape BOCES' financial planning and budgetary decisions. BOCES remains committed to proactive fiscal management, strategic long-term planning, and collaboration with its component districts and other stakeholders to address these challenges while maintaining high-quality, cost-effective programs and services.

7. 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.

BROOME TIOGA BOCES
STATEMENT OF NET POSITION
June 30, 2026

Assets		
Cash and Cash Equivalents	$	23,742,755
Restricted Cash and Cash Equivalents		22,192,442
Cash with Fiscal Agent		1,088,274
Restricted Investments		33,484,055
Receivables		
State and Federal Aid		3,448,408
Due from Components		13,427,425
Accounts Receivables		682,781
Lease Receivables		5,817,727
Other Assets- Prepaid		841,964
Net Pension Asset - Proportionate Share		8,797,008
Software Subscription Assets, Net of Amortization		430,611
Right to Use Leased Assets, Net of Amortization		9,545,200
Capital Assets, Net of Accumulated Depreciation		72,030,418
Total Assets		195,529,068
Deferred Outflow of Resources		
Deferred Outflow - Pensions		17,167,387
Deferred Outflow - OPEB		6,379,953
Total Deferred Outflow of Resources		23,547,340
Total Assets and Deferred Outflow of Resources	$	219,076,408
Liabilities		
Due to Components - Refund of Surplus	$	6,501,446
Due to		
Other Governments		718,836
Teachers' Retirement System		3,380,677
Employees' Retirement System		1,593,329
Accounts Payable		15,094,735
Accrued Liabilities		3,031,533
Accrued Interest		608,147
Retainage Payable		517,170
Overpayments and Collections in Advance		4,141,898
Net Pension Liability - Proportionate Share		5,450,369
Noncurrent Liabilities		
Due Within One Year		11,255,799
Due in More Than One Year		171,777,566
Total Liabilities		224,071,505
Deferred Inflow of Resources		
Deferred Inflow - Pensions		17,475,496
Deferred Inflow - Leases		16,905,536
Deferred Inflow - OPEB		91,699,158
Total Deferred Inflow of Resources		126,080,190
Total Liabilities and Deferred Inflow of Resources		350,151,695
Net Position (Deficit)		
Net Investment in Capital Assets		65,486,048
Restricted		18,264,149
Unrestricted (Deficit)		(214,825,484)
Total Net Position (Deficit)		(131,075,287)
Total Liabilities, Deferred Inflow of Resources, and Net Position (Deficit)	$	219,076,408

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

BROOME TIOGA BOCES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Administration	$ 2,250,417	$ 4,220,039	$	$ 1,969,622
Administration - Capital	5,011,384	3,673,851		(1,337,533)
Occupational Instruction	14,728,397	17,896,778	32,880	3,201,261
Instruction for Special Needs	44,430,506	53,704,776		9,274,270
Itinerant Services	1,956,568	2,663,418		706,850
General Instruction	17,721,727	18,205,939	1,834,461	2,318,673
Instruction Support	37,351,287	22,239,889	1,130,478	(13,980,920)
Other Services	35,170,401	62,739,127		27,568,726
Total Functions/Programs	$ 158,620,687	$ 185,343,817	$ 2,997,819	29,720,949
General Revenues				
Interest and Earnings				1,474,946
(Loss) on Sales of Property				(1,904,817)
Miscellaneous				1,276,873
Total General Revenues				847,002
Change in Net Position				30,567,951
Net Position (Deficit), Beginning of Year				(161,643,238)
Net Position (Deficit), End of Year				$ (131,075,287)

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, 2026

	Major Funds				
	General	Special Aid	Capital	Non-Major Funds	Total
Assets					
Unrestricted Cash and Cash Equivalents	$ 21,538,259	$ 2,204,496	$	$	$ 23,742,755
Restricted Cash and Cash Equivalents	17,677,259		4,382,003	133,180	22,192,442
Cash with Fiscal Agent			1,088,274		1,088,274
Restricted Investments			33,390,755	93,300	33,484,055
Receivables					
State and Federal Aid		3,448,408			3,448,408
Due from Components	13,320,404	107,021			13,427,425
Due from Other Funds	118,426	2,120	5,621,643		5,742,189
Accounts Receivables	96,998	225,373		360,410	682,781
Leases	5,817,727				5,817,727
Other Assets-Prepaid	841,964				841,964
Total Assets	$ 59,411,037	$ 5,987,418	$ 44,482,675	$ 586,890	$ 110,468,020
Liabilities					
Due to Components - Refund of Surplus	$ 6,501,446	$	$	$	$ 6,501,446
Due To					
Other Governments	4,708	714,128			718,836
Other Funds	5,623,762	95,734	22,693		5,742,189
Teachers' Retirement System	3,380,677				3,380,677
Employees' Retirement System	1,593,329				1,593,329
Accounts Payable	10,342,053	716,458	4,036,224		15,094,735
Accrued Liabilities	1,365,364	23,541			1,388,905
Insurance Liabilities	1,485,364				1,485,364
Payroll Liabilities	157,264				157,264
Overpayments and Collections in Advance	512,426	3,629,472			4,141,898
Total Liabilities	30,966,393	5,179,333	4,058,917		40,204,643
Deferred Inflow of Resources - Leases	16,905,536				16,905,536
Fund Balance					
Non Spendable	841,964				841,964
Restricted	17,677,259			586,890	18,264,149
Committed			40,423,758		40,423,758
Assigned	4,045,998	808,085			4,854,083
Unassigned (Deficit)	(11,026,113)				(11,026,113)
Total Fund Balance	11,539,108	808,085	40,423,758	586,890	53,357,841
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 59,411,037	$ 5,987,418	$ 44,482,675	$ 586,890	$ 110,468,020

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, 2026

Total Governmental Fund Balances	$ 53,357,841
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	16,027,181
Accumulated Amortization	(6,481,981)
Original Cost of Software Subscription Assets	684,549
Accumulated Amortization	(253,938)
Original Cost of Capital Assets	144,681,754
Accumulated Depreciation	(72,651,336)
	82,006,229
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.	
Net Pension Asset - Proportionate Share	8,797,008
Deferred Outflows - Pensions	17,167,387
Net Pension Liability - Proportionate Share	(5,450,369)
Deferred Inflows - Pensions	(17,475,496)
	3,038,530
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:	
Revenue Bonds	(37,320,000)
Installment Purchase Debt	(5,817,727)
Lease Liability	(9,936,808)
Premium on Issuance of Revenue Bonds	(3,232,180)
Software Subscription Liability	(120,055)
Deferred Outflows - OPEB	6,379,953
Deferred Inflows - OPEB	(91,699,158)
Other Post Employment Liabilities	(112,460,307)
Interest Accrual	(608,148)
Retainage Payable	(517,169)
Compensated Absences Payable	(14,146,288)
	(269,477,887)
Total Net Position (Deficit)	$ (131,075,287)

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

BROOME TIOGA BOCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Major Funds					
	General	Special Aid	Capital	Miscellaneous Special Revenue	Non-Major Funds	Total
Revenues						
Charges for Services	$ 131,746	$ 4,016,920	$	$	$	$ 4,148,666
Charges to Components - Administration	6,624,216					6,624,216
Charges to Components - Service Programs	156,358,732	1,674,422				158,033,154
Charges to Non-Components and Other BOCES	14,760,263	19,456				14,779,719
Interest and Earnings	1,076,809				398,137	1,474,946
Sale of Property and Compensation for Loss	111,276	4,250				115,526
Lease Revenue	8,156,945					8,156,945
Miscellaneous/Other Revenue	82,332				20,231	102,563
Refund of Prior Year's Expenditures	927,227					927,227
Interfund Revenues	349,646		7,708,636			8,058,282
State and Local Sources		2,171,281				2,171,281
Federal Sources		826,538				826,538
Total Revenues	188,579,192	8,712,867	7,708,636		418,368	205,419,063
Expenditures						
Administration	3,943,325					3,943,325
Administration - Capital	3,673,851					3,673,851
Occupational Instruction	16,587,972	2,551,101				19,139,073
Instruction for Special Needs	53,197,827	1,582,657				54,780,484
Itinerant Services	2,757,933					2,757,933
General Instruction	20,525,006	1,165,276			26,268	21,716,550
Instruction Support	23,451,779	3,007,182				26,458,961
Other Services	55,127,035	627,524	1,864,912			57,619,471
Capital Outlay			16,390,548			16,390,548
Total Expenditures	179,264,728	8,933,740	18,255,460		26,268	206,480,196
Excess (Deficit) Revenues Over Expenditures	9,314,464	(220,873)	(10,546,824)		392,100	(1,061,133)
Other Financing Sources (Uses)						
Return of Surplus	(6,501,446)					(6,501,446)
Proceeds of Debt			40,272,712			40,272,712
Premium on Bonds			2,680,000		604,312	3,284,312
Cost of Issuance					(547,276)	(547,276)
Total Other Financing Sources (Uses)	(6,501,446)		42,952,712		57,036	36,508,302
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	2,813,018	(220,873)	32,405,888		449,136	35,447,169
Fund Balances, Beginning of Year	8,726,090	1,028,958	8,017,870	137,754		17,910,672
Reclassification of Major Funds to Non-Major Funds				(137,754)	137,754	
Fund Balances, Beginning of Year (Restated)	8,726,090	1,028,958	8,017,870		137,754	17,910,672
Fund Balances, End of Year	$ 11,539,108	$ 808,085	$ 40,423,758	$	$ 586,890	$ 53,357,841

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, 2026

Net Changes in Fund Balance - Total Governmental Funds		$ 35,447,169

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	(13,107,049)	
Loss on Disposal	(2,020,343)	
Capital Outlays	30,604,663	15,477,271

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:

Proceeds on Revenue Bonds	(37,320,000)	
Proceeds of Installment Purchase Debt	(2,952,712)	
Payment on Installment Purchase Debt	3,181,451	
Premium on Issuance of Revenue Bonds	(3,284,312)	
Change in Lease Liability	1,366,628	
Changes in Software Subscription Liability	113,982	
Amortization of Premium on Issuance of Revenue Bonds	52,132	
Change in Retainage Payable Expense	(270,878)	
Change in Other Post Employment Liabilities and Deferred Inflows/Outflows	17,329,558	
Change in Interest Accrual	(608,147)	
Change in Compensated Absences	(1,340,593)	(23,732,891)

(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	3,582,817	
Employees' Retirement System	(206,415)	3,376,402

Change in Net Position Governmental Activities	$ 30,567,951

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

BROOME TIOGA BOCES
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	$ 12,676
Liabilities	
Due to Other Governments-Sales Tax	$ 1,024
Net Position	
Restricted For Other Purposes	11,652
Total Liabilities and Net Position	$ 12,676

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

BROOME TIOGA BOCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2026

	Custodial Fund
Additions	
Extraclassroom Fundraising	$ 17,429
Due from Other Governments-State Aid	54,393,936
Total Additions	54,411,365
Deductions	
Extraclassroom Expenditures	15,563
Due to Other Governments-State Aid to Components	54,393,936
Total Deductions	54,409,499
Change in Net Position	1,866
Net Position, Beginning of the Year	9,786
Net Position, End of the Year	$ 11,652

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

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.

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. 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.

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

The BOCES reports the following non-major governmental funds:

Special Revenue Funds:

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 payments of principal and interest on long-term general obligations of debt of governmental activities.

Change in Major Funds – Effective July 1, 2025, the BOCES reclassified the Miscellaneous Special Revenue and Debt Service funds from major to non-major governmental funds. This reclassification is reported as a change within the financial reporting entity and is reflected as an adjustment to beginning fund balance of both fund's columns and the aggregate nonmajor governmental funds column in the governmental fund financial statements.

(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.

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		$ 167,804,207
Prior Year's Encumbrances		3,581,311
Original Budget		171,385,518
Budget Revisions		
Occupational Instruction	$ 225,700	
Instruction for Special Needs	2,328,905	
Itinerant Services	1,430,967	
General Instruction	7,652,656	
Instruction Support	4,976,779	
Other Services and Internal Services	3,943,384	20,558,391
Revised Budget		$ 191,943,909

(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

Investments held by the BOCES and the Dormitory Authority of New York State (DASNY) are stated at fair value. Changes in the fair value of the investments and interest in dividends are reported 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.

Prepaid Items

Prepaid items represent payments made by the BOCES for which benefits extend beyond the year. 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 amount 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.

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.

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:

	Lives	Depreciation Method
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 Net 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, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions 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, a liability is recognized in the BOCES-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee and it more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end, and includes salary-related payments such as applicable employer payroll taxes.

In the Funds financial statements, a liability is reported only for amounts that have matured – typically when payment is due upon resignation, retirement, or other termination – based on expendable and available financial resources.

Other Benefits

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

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 Net 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) Fund Financial 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 General Fund.

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 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.

- ***Debt Service***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

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, 2026, 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.

- ***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.

New Accounting Standards

Effective for the fiscal year ended June 30, 2026, the BOCES implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. This standard establishes changes to certain components of the financial reporting model, including management's discussion and analysis, the presentation of unusual or infrequent items, proprietary fund reporting, major component unit information, and budgetary comparison information.

For the BOCES, the implementation of GASB 103 resulted primarily in changes to the presentation and content of management's discussion and analysis and budgetary comparison information. Budgetary comparison schedules for the General Fund are presented as required supplementary information and include separate original-to-final budget and final budget-to-actual variances, with significant variances explained in the accompanying notes. The implementation did not result in a material change to the BOCES' reported net position or fund balance.

Effective for the fiscal year ended June 30, 2026, the BOCES implemented Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*. This standard requires certain types of capital assets, including lease assets and subscription assets, and related accumulated amortization to be disclosed separately within the capital asset note. The BOCES applied the provisions of GASB 104 retroactively, as applicable and practicable. The implementation of this standard resulted in changes to the presentation of the BOCES' capital asset disclosures but did not have a material effect on total capital assets or net position.

Future Changes in Accounting Standards

GASB Statement No. 105, *Subsequent Events*, effective for the year ending June 30, 2027. This Statement's primary objective is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

The BOCES will evaluate the impact this pronouncement may have on its financial statements and will implement it 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.

(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 $6,689,901, of which, $1,000,000 was covered by depository insurance and the remaining $5,689,901 was covered with collateral as described in C above.

(b) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $17,677,259 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 $133,180 in the Miscellaneous Special Revenue fund represents various scholarships and award funds held by the BOCES.

Restricted cash and cash equivalents of $4,382,003 in the Capital Fund represent funds held by the BOCES for future capital project expenditures.

Restricted cash and cash equivalents of $12,676 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	$ 34,755,523	$ 34,755,523
Capital Fund	3,796,905	3,796,905
Special Aid	2,001,052	2,001,052
Total	$ 40,553,480	$ 40,553,480

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.

(c) Restricted Investments

Investments are stated at fair value. The BOCES categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.
- Level 2 Inputs to the valuation methodology include the following:
    - Quoted prices for similar assets or liabilities in active markets.
    - Quoted prices for identical or similar assets or liabilities in inactive markets.
    - Inputs other than quoted prices that are observable for the asset or liability.
    - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means
- Level 3 inputs are significant unobservable inputs.

The investments are held in the BOCES' name but are not insured or collateralized.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2026:

Investments Cash: Valued at amortized cost which approximates fair value.

U.S. Government Securities: 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. At June 30, 2026, this consists of only United States Treasury Bills.

The investments held by the BOCES and the Dormitory Authority of New York State (DASNY) are restricted for the Ed Center Addition capital projects. The source of the invested funds were from the DASNY revenue bond issued 2/25/2026 for $37,320,000 plus a premium of $3,284,312.

The following tables set forth by level, within the fair value hierarchy, the Fund's assets measured at fair value on a recurring basis as of June 30, 2026:

Investments	Total	Fair Value Measurements at Reporting Date Using the Above Criteria (Level 1)	(Level 2)	(Level 3)
Invested Cash	$ 528,901	$ 528,901	$	$
U.S. Government Securities	32,955,154		32,955,154	
Total	$ 33,484,055	$ 528,901	$ 32,955,154	$

Fund	
General Fund	$ 33,390,755
Debt Service Fund	93,300
Total	$ 33,484,055

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

Capital asset activity for the year ended June 30, 2026, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 428,662	$	$	$ 428,662
Construction in Progress	5,399,917	16,914,673	1,809,984	20,504,606
Total	5,828,579	16,914,673	1,809,984	20,933,268
Capital Assets Being Depreciated				
Buildings and Improvements	47,588,975	3,927,528	2,238,378	49,278,125
Furniture, Equipment and Vehicles	82,093,541	10,329,422	19,928,592	72,494,371
Intangibles	1,237,469	918,960	180,439	1,975,990
Total	130,919,985	15,175,910	22,347,409	123,748,486
Accumulated Depreciation				
Buildings and Improvements	25,219,727	1,795,301	1,203,754	25,811,274
Furniture, Equipment and Vehicles	56,133,893	9,212,196	19,096,724	46,249,365
Intangibles	250,388	366,897	26,588	590,697
Total	81,604,008	11,374,394	20,327,066	72,651,336
Net Capital Assets Being Depreciated	49,315,977	3,801,516	2,020,343	51,097,150
Net Capital Assets	$ 55,144,556	$ 20,716,189	$ 3,830,327	$ 72,030,418

Depreciation expense is allocated to the following functions:

Function/Program	
Administration	$ 479,026
Occupational Instruction	1,043,177
Instruction-Students with Special Needs	3,345,481
Itinerant Services	173,440
General Instruction	1,290,767
Instructional Support	1,474,825
Other Services	3,567,678
Total Depreciation	$ 11,374,394

Right-to-use leased asset activity for the year ended June 30, 2026, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Buildings	$ 16,027,181	$	$	$ 16,027,181
Accumulated Amortization				
Leased Buildings	5,144,448	1,337,533		6,481,981
Net Right to Use Leased Assets	$ 10,882,733	$ (1,337,533)	$	$ 9,545,200

Amortization expense of $1,337,533 was charged to Administration – Capital.

(e) Software Subscription Assets

The BOCES has entered into subscription-based information technology arrangements (SBITA) with three 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 $430,611 at June 30, 2026. One software has a remaining liability of $120,055 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, 2026:

Description	Commencement Date	Term (Years)	Net Asset Value
DDoS protection/Cloudflare	5/1/2026	3	$ 310,127
Vmware Cloud	7/2/2024	3	120,484
			$ 430,611

Software subscription activity for the year ended June 30, 2026, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Software Subscription Assets	$ 1,241,897	$ 324,065	$ 881,413	$ 684,549
Accumulated Amortization	740,229	395,122	881,413	253,938
Net Software Subscription Assets	$ 501,668	$ (71,057)	$	$ 430,611

Amortization expense of $395,122 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 2021-2026 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, 2026. For the year ended June 30, 2026, the BOCES recognized $7,663,277 in lease revenue and $299,284 in lease interest revenue. Also, during the year ended June 30, 2026, the BOCES issued loans in the amount of $2,952,712 and received principal payments of $3,181,451. Future payments due to the BOCES and deferred inflow recognition under these are agreements are as follows for the year ended June 30, 2026:

For the Year Ending	Lease Receivables		
June 30,	Principal	Interest	Total
2027	$ 2,589,553	$ 285,950	$ 2,875,503
2028	1,814,239	159,712	1,973,951
2029	993,331	69,932	1,063,263
2030	420,604	20,986	441,590
Total	$ 5,817,727	$ 536,580	$ 6,354,307

Deferred inflows for leases will be recognized as follows:

For the Year Ending June 30,	Deferred Inflow
2027	$ 6,743,349
2028	4,973,364
2029	3,288,930
2030	1,795,312
2031	104,581
Total	$ 16,905,536

Liabilities

(a) Noncurrent Liabilities

Long-term liability balances and activity for the year ended June 30, 2026 are as follows:

Description	Beginning Balance	Issued	Paid	Ending Balance	Due Within One Year
Governmental Activities					
Revenue Bonds	$	$ 37,320,000	$	$ 37,320,000	$
Premium on Revenue Bond		3,284,312	52,132	3,232,180	156,396
Installment Purchase Agreements	6,046,466	2,952,712	3,181,451	5,817,727	2,589,553
Other Liabilities					
OPEB Liability	127,464,746	10,918,211	25,922,650	112,460,307	2,702,735
Software Subscription Liability	234,037		113,982	120,055	120,055
Lease Liability	11,303,436		1,366,628	9,936,808	951,898
Compensated Absences	12,805,695	1,340,593		14,146,288	4,735,162
Total Governmental Activities	$ 157,854,380	$ 55,815,828	$ 30,636,843	$ 183,033,365	$ 11,255,799

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

For the Year Ending	Installment Purchase Debt			DASNY Revenue Bonds		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2027	$ 2,589,553	$ 285,950	$ 2,875,503	$	$ 1,702,811	$ 1,702,811
2028	1,814,239	159,712	1,973,951	375,000	1,742,088	2,117,088
2029	993,331	69,932	1,063,263	1,215,000	1,702,338	2,917,338
2030	420,604	20,986	441,590	1,280,000	1,639,963	2,919,963
2031				1,340,000	1,574,463	2,914,463
2032-2036				7,785,000	6,769,188	14,554,188
2037-2041				9,940,000	4,564,063	14,504,063
2042-2046				12,550,000	1,932,497	14,482,497
2047				2,835,000	58,472	2,893,472
Total	$ 5,817,727	$ 536,580	$ 6,354,307	$ 37,320,000	$ 21,685,883	$ 59,005,883

Revenue Bonds

The BOCES entered into a financial 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 will be 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.

The term of the revenue bond is as follows:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Capital Fund	02/25/2026	$ 37,320,000	08/15/46	5.0%	$ 37,320,000

Interest expense on the Revenue Bond for the year ended June 30, 2026 is reported in the administrative expenditures. The amount is calculated as follows:

Interest Paid	$
Less: Amortization of Bond Premium	(52,132)
Plus: Interest Accrued in the Current Year	608,147
Total Interest Expense on Long-Term Debt	$ 556,015

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.

Revenue Bond Premium

The premium received on 2026 revenue bond issuance is being amortized on the BOCES-wide financial statements using the straight-line method over 21 years, the remaining time to maturity of the respective bond issue. The current year amortization is $52,132 and is included as a reduction to interest expense on the statement of activities.

Software Subscription Liability

The BOCES has recorded $684,549 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 2027. The BOCES calculated the amortization of the debt using an interest rate of 5.2%.

For the Year Ending	Software Subscription Liability		
June 30,	Principal	Interest	Total
2027	$ 120,055	$ 6,464	$ 126,519
Total	$ 120,055	$ 6,464	$ 126,519

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 $374,349. 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 $9,545,200 at June 30, 2026.

Future lease payments are as follows:

For the Year Ending	Leases		
June 30,	Principal	Interest	Total
2027	$ 951,898	$ 304,392	$ 1,256,290
2028	704,327	271,964	976,291
2029	729,685	249,606	979,291
2030	616,891	226,527	843,418
2031	635,399	208,020	843,419
2032-2036	3,173,213	749,412	3,922,625
2037-2041	2,835,369	300,605	3,135,974
2042	290,026	8,701	298,727
Total	$ 9,936,808	$ 2,319,227	$ 12,256,035

Compensated Absences

Compensated absences represent vacation and sick time that has been earned by the BOCES employees and is more likely than not to be used or paid as of June 30, 2026. The change in compensated absences is net of time awarded, used, paid, and/or forfeited.

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 $13,472,926 at June 30, 2026. The accumulated depreciation for these assets was $6,756,848 at June 30, 2026.

Interest expense on the Installment Purchase Agreements for the year ended June 30, 2026, was $299,284 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 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. Subsequent to the fiscal year ended March 31, 2026, the approved fiscal year 2027 New York State Budget includes new laws which reduce contribution rates for Tier 6 members. Effective October 1, 2026, the new contribution rate varies from 3% to 5.75% depending on salary. 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, 2026, were paid.

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

	Amount
2024	$ 4,895,376
2025	$ 4,894,787
2026	$ 5,603,350

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

At June 30, 2026, the BOCES reported a liability of $5,450,369 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2026, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2025. 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, 2026 and 2025, the BOCES' proportion was 0.096608% and 0.097119%, respectively.

For the year ended June 30, 2026, the BOCES recognized pension expense of $6,005,002. At June 30, 2026, 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	$ 3,119,021	$
Change of assumptions	935,587	
Net difference between projected and actual earnings on Pensions plan investments		9,772,813
Changes in proportion and differences between contributions and proportionate share of contributions	530,414	149,893
Contributions subsequent to the measurement date	1,593,329	
Total	$ 6,178,351	$ 9,922,706

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, 2027.

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,	
2027	$ 2,241,076
2028	$ (3,464,940)
2029	$ (1,963,669)
2030	$ (2,150,151)

Actuarial Assumptions

The total pension liability at March 31, 2026 was determined by using an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the total pension liability to March 31, 2026.

Significant actuarial assumptions used in the April 1, 2025 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	5.20%
Decrement tables	April 1, 2020 - March 31, 2025 System's Experience
Cost of Living Adjustments	1.50%
Inflation rate	2.90%

Annuitant mortality rates were based on April 1, 2020 – March 31, 2025, 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, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025.

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, 2026 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic equity	25.00%	3.29%
International equity	14.00%	5.85%
Private equity	15.00%	7.00%
Real estate	12.00%	5.20%
Opportunistic/Absolute return strategies	3.00%	5.13%
Credit	4.00%	5.10%
Real assets	4.00%	5.54%
Fixed Income	22.00%	1.75%
Cash	1.00%	0.25%
	100%	

* Real rates of return are net of the long-term inflation assumption of 2.50%.

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)	$ 37,224,529	$ 5,450,369	$ (21,114,235)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

The BOCES has recorded an amount due to ERS in amount of $1,593,329 at June 30, 2026. This amount represents the three months of the BOCES' fiscal year that will be covered in the ERS 2026-2027 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.

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:

	Amount
2024	$ 2,632,951
2025	$ 2,949,360
2026	$ 2,894,980

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

At June 30, 2026, the BOCES reported an asset of $8,797,008 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2024. The BOCES' proportion of the net pension asset was based on a projection of the BOCES' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the BOCES' proportion was 0.148572%, which was an increase of 0.007284% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the BOCES recognized pension credit of $669,623. At June 30, 2026, 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	$ 4,611,594	
Changes of assumptions	3,482,462	94,846
Net difference between projected and actual earnings on Pensions plan investments		6,870,441
Changes in proportion and differences between contributions and proportionate share of contributions		587,503
Contributions subsequent to the measurement date	2,894,980	
Total	$ 10,989,036	$ 7,552,790

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 in the year ended June 30, 2026.

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:	
2026	$ 4,277,627
2027	$ (2,002,005)
2028	$ (2,082,731)
2029	$ (496,276)
2030	$ 695,970
Thereafter	$ 148,681

Actuarial Assumptions

The total pension liability at June 30, 2025 measurement date was determined by using an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025.

Significant actuarial assumptions used in the June 30, 2024 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.

Service	Rate
5	5.80%
15	3.66%
25	2.68%
35	2.04%

Projected COLAs	1.4% compounded annually.
Inflation rate	2.50%

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, 2019 to June 30, 2024. 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, 2024 and updated the mortality improvement assumption as of June 30, 2025.
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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.7%
International equity	15.0%	7.4%
Global equities	4.0%	7.0%
Real estate equities	11.0%	6.5%
Private equities	9.0%	9.8%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.4%
High-yield bonds	1.0%	4.7%
Private debt	2.0%	6.1%
Real estate debt	6.0%	3.8%
Cash equivalents	1.0%	0.6%
	100.0%	

** Real rates of return are net of pension plan investment expenses and long-term inflation expectations.*

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 (Asset) to the Discount Rate Assumption

The following presents BOCES' proportionate share of the net pension asset calculated using the discount rate of 6.95 percent, as well as what the BOCES' proportionate share of the net pension asset 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)	$ 16,903,563	$ (8,797,008)	$ (30,422,701)

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 $3,380,677 in the General Fund which includes $485,697 for employee contribution amount at June 30, 2026. This amount represents contribution for the 2025-2026 fiscal year that will be made in 2026-2027 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 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	244
Active employees	976
Total	1,220

(d) Total OPEB Liability

The BOCES' total OPEB liability of $112,460,307 was measured as of July 1, 2025, and was determined by an actuarial valuation as of July 1, 2024.

(e) Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance, June 30, 2025	$ 127,464,746
Changes recognized for the year:	
Service cost	5,733,391
Interest on Total OPEB Liability	5,184,820
Differences between expected and actual experience	
Changes of Assumptions or Other Inputs	(23,384,871)
Benefit payments	(2,537,779)
Net changes	(15,004,439)
Balance, June 30, 2026	$ 112,460,307

(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 (4.20%)	Current Assumption (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 130,332,329	$ 112,460,307	$ 97,911,698

(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:

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	$ 94,944,842	$ 112,460,307	$ 134,862,961

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, 2026, the BOCES recognized OPEB credit of $17,329,558. At June 30, 2026, 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	$	$ 40,873,374
Changes of assumptions or other inputs	3,300,604	50,825,784
Contributions subsequent to the measurement date	3,079,349	
Total	$ 6,379,953	$ 91,699,158

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
2027	17,431,527
2028	16,782,517
2029	17,355,741
2030	17,665,674
2031	8,612,847
2032 and Thereafter	10,550,248

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Measurement Date	July 1, 2025
Reporting Date	June 30, 2026
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.60%
Healthcare Cost Trend Rates	6.5 to 4.04%
Discount Rate	5.20%
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 5.20% 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 3.93% to 5.20%. 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.

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. Another more recent case opened in 2026 and is currently in the discovery stage. 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, 2026.

Construction Commitments

At June 30, 2026, the BOCES has various ongoing capital projects. At June 30, 2026, the BOCES has $13,993,653 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, 2026, 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:

	General
Administration	$ 66,329
Occupational Instruction	463,318
Instruction for Special Needs	128,967
General Instruction	255,204
Instructional Support	743,613
Other Services and Internal Services	2,388,567
Total Encumbrances	$ 4,045,998

7. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund Type	Interfund Receivables	Interfund Payables
General	$ 118,426	$ 5,623,762
Special Aid	2,120	95,734
Capital Fund	5,621,643	22,693
Total	$ 5,742,189	$ 5,742,189

- 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, 2026:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Unemployment Insurance Reserve	$ 405,645	$ 189,843	$ 106,561	$ 488,927
Career Education and Equipment Reserve	450,900	16,578		467,478
Employee Benefit Accrued Liablity	5,842,192	1,444,066	710,224	6,576,034
Employees' Retirement System Contributions	7,447,278	545,933		7,993,211
Teachers' Retirement System Contributions	1,927,230	224,379		2,151,609
Total General Fund Restricted	$ 16,073,245	$ 2,420,799	$ 816,785	$ 17,677,259

(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, 2026:

	General	Special Aid	Capital	Non-Major Funds	Total
Non Spendable	$ 841,964	$	$	$	$ 841,964
Restricted					
Unemployment Insurance Reserve	488,927				488,927
Career Education and Equipment Reserve	467,478				467,478
Employee Benefit Accrued Liablity	6,576,034				6,576,034
Employees' Retirement System Contributions	7,993,211				7,993,211
Teachers' Retirement System Contributions	2,151,609				2,151,609
Debt Service				453,710	453,710
Restricted for Endowments and Scholarships				133,180	133,180
Total Restricted	17,677,259			586,890	18,264,149
Committed					
Capital Project			40,423,758		40,423,758
Assigned					
Administration	66,329				66,329
Occupational Instruction	463,318				463,318
Instruction for Special Needs	128,967				128,967
General Instruction	255,204				255,204
Instructional Support	743,613				743,613
Other Services and Internal Services	2,388,567	808,085			3,196,652
Total Assigned	4,045,998	808,085			4,854,083
Unassigned (Deficit)	(11,026,113)				(11,026,113)
Total Fund Balance	$ 11,539,108	$ 808,085	$ 40,423,758	$ 586,890	$ 53,357,841

9. NET POSITION DEFICIT

Net Position Deficit – BOCES-Wide

The BOCES-wide net position had a deficit at June 30, 2026 of $131,075,287. 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 $112,460,307 at June 30, 2026. 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, 2026

	Original Budget	Final Budget	Variance between Original Budget and Final Budget	Actual	Final Budget Variance With Actual
Revenues					
Administration	$ 4,133,620	$ 4,133,620	$	$ 4,264,718	$ 131,098
Administration - Capital	3,883,063	3,883,063		3,883,063	
Occupational Instruction	17,180,825	17,406,525	225,700	17,093,369	(313,156)
Instruction for Special Needs	51,668,993	53,997,898	2,328,905	54,335,419	337,521
Itinerant Services	1,247,177	2,678,144	1,430,967	3,078,686	400,542
General Instruction	14,162,678	21,815,334	7,652,656	21,600,375	(214,959)
Instruction Support	20,778,113	25,754,892	4,976,779	24,364,717	(1,390,175)
Other Services and Internal Service	58,331,049	62,274,433	3,943,384	59,958,845	(2,315,588)
Total Revenues	$ 171,385,518	$ 191,943,909	$ 20,558,391	188,579,192	$ (3,364,717)

	Original Budget	Final Budget	Variance between Original Budget and Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual & Encumbrances
Expenditures						
Administration	$ 4,133,620	$ 4,133,620	$	3,943,325	$ 66,329	$ 123,966
Administration - Capital	3,883,063	3,883,063		3,673,851		209,212
Occupational Instruction	17,180,825	17,406,525	225,700	16,587,972	463,318	355,235
Instruction for Special Needs	51,668,993	53,997,898	2,328,905	53,197,827	128,967	671,104
Itinerant Services	1,247,177	2,678,144	1,430,967	2,757,933		(79,789)
General Instruction	14,162,678	21,815,334	7,652,656	20,525,006	255,204	1,035,124
Instruction Support	20,778,113	25,754,892	4,976,779	23,451,779	743,613	1,559,500
Other Services and Internal Service	58,331,049	62,274,433	3,943,384	55,127,035	2,388,567	4,758,831
Total Expenditures	$ 171,385,518	$ 191,943,909	$ 20,558,391	179,264,728	$ 4,045,998	$ 8,633,183
Excess Revenues Over Expenditures				9,314,464		
Other Financing Sources and (Uses)						
Return of Surplus				(6,501,446)		
Net Change in Fund Balance				2,813,018		
Fund Balance - Beginning of Year				8,726,090		
Fund Balance, End of Year				$ 11,539,108		

See Independent Auditor's Report.

BROOME TIOGA BOCES
NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2026

Significant Budgetary Policies

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.

Original Budget to Final Budget Variances

Itinerant Services - The budget growth is due to the increased **Direct Consultant Teacher** model within the **Virtual Learning Academy** (VLA). The Direct Consultant Teacher model provides specialized support and instructional services to students with Individualized Education Programs (IEPs). Over the past five years, the need for Direct Consultant Teacher services has increased significantly as the VLA's population of students with disabilities has grown from approximately 25% to more than 60% of total enrollment. This service model enables the VLA to maintain a faculty with a strong foundation in special education, ensuring that students receive support from educators with expertise in both special education practices and virtual instruction. By leveraging the Direct Consultant Teacher model, the VLA is better positioned to meet the diverse learning needs of students while delivering high-quality, individualized services in an online learning environment.

General Instruction - The budget growth is due to increased participation in the **BOCES School Enrichment Program** which allows school districts to provide students with hands-on, experiential learning opportunities designed to support academic achievement. Enrichment classes are typically offered in a more relaxed setting with smaller student-to-teacher ratios, helping students engage in learning while having fun.

Instruction Support - The budget growth is due to the increased requests for the **Document Services** program which provides comprehensive printing, duplicating, and graphic design support for schools and districts. Services include high-volume black-and-white and color printing of materials such as newsletters, instructional resources, calendars, state testing materials, report cards, handbooks, yearbooks, posters, and banners. Additionally, the service includes production of promotional and display materials, such as banners, posters, wall graphics, window clings, custom stickers, magnets, yard signs, and foam-core displays. We also saw growth in **Cross Contract** service which allows component school districts to access programs or services offered by other BOCES when those services are not available through Broome-Tioga BOCES and **Instructional District Budgets** relating to services such as **Community Schools, Extended Classroom, Arts In Education, and Instructional Technology**.

Final Budget to Actual Variances

Itinerant Services - As previously mentioned, the **Direct Consultant Teacher** model within the **Virtual Learning Academy** (VLA) need continues to increase in our community resulting in revenue growth.

General Instruction - This growth is primarily driven by increased participation in the non-instructional services offered through **Management Support Services**, as well as expanded utilization of services provided by the **South Central Regional Information Center (SCRIC)** which includes **District Budgets** for over 50 school districts.

Instruction Support - As previously mentioned, **Document Services, Cross Contracts, and Instructional District Budget** participation continues to increase as the districts are strategically maximizing their budget dollars.

BROOME TIOGA BOCES
SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended June 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018 *
Measurement Date	7/1/2025	7/1/2024	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	$ 5,733,391	$ 6,212,699	$ 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	5,184,820	5,512,344	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	(23,384,871)	(5,498,661)	(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		(21,963,609)		(45,118,295)		(4,835,190)		(49,294,835)	
Benefit payments	(2,537,779)	(3,216,917)	(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	(15,004,439)	(18,954,144)	6,377,377	(77,562,393)	17,271,098	17,716,932	7,880,733	(42,966,883)	(15,760,550)
Total OPEB Liability - Beginning	127,464,746	146,418,890	140,041,513	217,603,906	200,332,808	182,615,876	174,735,143	217,702,026	233,462,576
Total OPEB Liability - Ending	$ 112,460,307	$ 127,464,746	$ 146,418,890	$ 140,041,513	$ 217,603,906	$ 200,332,808	$ 182,615,876	$ 174,735,143	$ 217,702,026
Covered payroll	$ 69,809,334	$ 64,935,219	$ 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	161%	196%	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 3.93% on July 1, 2024 to 5.20% on July 1, 2025.

BROOME TIOGA BOCES
SCHEDULE OF BOCES' PENSION CONTRIBUTIONS
For the Year Ended June 30, 2026

ERS Pension Plan
(For the Last 10 Years)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 5,603,350	$ 4,894,787	$ 4,895,376	$ 3,957,228	$ 4,405,613	$ 4,042,053	$ 3,732,960	$ 3,766,830	$ 3,689,976	$ 3,604,373
Contributions in Relation to the Contractually Required Contribution	5,603,350	4,894,787	4,895,376	3,957,228	4,405,613	4,042,053	3,732,960	3,766,830	3,689,976	3,604,373
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
BOCES Covered-ERS Employee Payroll	$ 36,984,766	$ 34,893,739	$ 32,957,072	$ 31,088,626	$ 28,057,521	$ 28,463,366	$ 26,144,154	$ 27,025,540	$ 24,780,672	$ 24,014,922
Contributions as a Percentage of Covered-Employee Payroll	15.15%	14.03%	14.85%	12.73%	15.70%	14.20%	14.28%	13.94%	14.89%	15.01%

TRS Pension Plan
(For the Last 10 Years)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 2,894,980	$ 2,949,360	$ 2,632,951	$ 2,586,178	$ 2,339,975	$ 2,153,013	$ 1,927,219	$ 2,192,637	$ 1,934,570	$ 2,240,885
Contributions in Relation to the Contractually Required Contribution	2,894,980	2,949,360	2,632,951	2,586,178	2,339,975	2,153,013	1,927,219	2,192,637	1,934,570	2,240,885
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
BOCES Covered-TRS Employee Payroll	$ 30,187,487	$ 29,172,700	$ 26,976,957	$ 25,132,925	$ 23,877,296	$ 22,591,952	$ 21,751,907	$ 20,646,299	$ 19,740,510	$ 19,120,175
Contributions as a Percentage of Covered-Employee Payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

BROOME TIOGA BOCES
SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2026

ERS Pension Plan
(For the Last 10 Years)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
BOCES's proportion of the net pension asset/liability	0.096608%	0.097119%	0.098574%	0.097481%	0.094515%	0.096517%	0.094342%	0.094220%	0.092363%	0.092346%
BOCES's porportionate share of the net pension (asset) liability	$ 5,450,369	$ 16,651,782	$ 14,514,009	$ 20,903,821	$ (7,726,214)	$ 96,106	$ 24,982,349	$ 6,675,749	$ 2,980,958	$ 8,677,053
BOCES's covered-employee payroll	$ 36,984,766	$ 34,893,739	$ 32,957,072	$ 31,088,626	$ 28,057,521	$ 28,463,366	$ 26,144,154	$ 27,025,540	$ 24,780,672	$ 24,014,922
BOCES's proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.74%	47.72%	44.04%	67.24%	-27.54%	0.34%	95.56%	24.70%	12.03%	36.13%
Plan fiduciary net position as a percentage of total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.80%	86.39%	96.27%	98.24%	94.70%

TRS Pension Plan
(For the Last 10 Years)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
BOCES's Proportion of the net pension asset/liability	0.148572%	0.141288%	0.136081%	0.134850%	0.133111%	0.128191%	0.123693%	0.121190%	0.120172%	0.118245%
BOCES's porportionate share of the net pension (asset) liability	$ (8,797,008)	$ (4,215,493)	$ 1,556,198	$ 2,587,634	$ (23,066,791)	$ 3,542,254	$ (3,213,541)	$ (2,191,436)	$ (913,426)	$ 1,266,455
BOCES's covered-employee payroll	$ 29,172,700	$ 26,976,957	$ 25,132,925	$ 23,877,296	$ 22,591,952	$ 21,751,907	$ 20,646,299	$ 19,740,510	$ 19,120,175	$ 18,246,418
BOCES's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	-30.15%	-15.63%	06.19%	10.84%	-102.10%	16.28%	-15.56%	-11.10%	-04.78%	06.94%
Plan fiduciary net position as a percentage of total pension asset/liability	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

See Independent Auditor's Report.

BROOME TIOGA BOCES
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2026

Project Title	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2026
			Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	Total	
Auto Body HVAC	$ 24,000	$ 626,100	$ 649,155	$	$ 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	1,564,039	245,945	1,809,984	473,971		1,809,984	1,809,984	
Building Trades Complex	1,895,540	1,895,540	2,439,305	367,317	2,806,622	(911,082)		2,899,211	2,899,211	92,589
Master Plan	116,100	116,100	120,899	801	121,700	(5,600)		385,544	385,544	263,844
O&M Building 2A	2,908,450	2,908,450	930,853	4,383,763	5,314,616	(2,406,166)		5,478,011	5,478,011	163,395
O&M Building 2B	3,071,913	3,071,913		1,203,470	1,203,470	1,868,443				(1,203,470)
Ed Center Addition	40,000,000	40,000,000	98,500	8,904,700	9,003,200	30,996,800	37,320,000	3,826,205	41,146,205	32,143,005
Ed Center HVAC Project	96,300	1,840,000	1,385,075		1,385,075	454,925		1,327,305	1,327,305	(57,770)
Ed Center 3B	7,000,000	7,000,000		1,196,552	1,196,552	5,803,448		9,008,642	9,008,642	7,812,090
Animal Science Demo	80,000	80,000		49,130	49,130	30,870		139,800	139,800	90,670
O & M Demo	70,000	70,000		38,870	38,870	31,130		70,000	70,000	31,130
Subscription-Based IT Arrangements	881,813	881,813	1,241,897		1,241,897	(360,084)	1,241,897		1,241,897	
Installment Purchases- 2025	2,272,305	2,272,305	2,271,831	474	2,272,305		2,272,305		2,272,305	
Installment Purchases- 2026	2,221,099	2,221,099		1,864,438	1,864,438	356,661	2,952,712		2,952,712	1,088,274
Total	$ 66,371,470	$ 70,114,225	$ 15,282,944	$ 18,255,460	$ 33,538,404	$ 36,575,821	$ 43,786,914	$ 30,175,248	$ 73,962,162	$ 40,423,758

See Independent Auditor's Report.

BROOME TIOGA BOCES
SCHEDULE OF A431 SCHOOL DISTRICT ACCOUNT
For the Year Ended June 30, 2026

Debit Balance, Beginning of Year	$ 6,670,516
Debits	
Billings to Components	186,346,372
Encumbrances - June 30, 2025	3,581,318
Refund Balances Due School Districts - June 30, 2025	5,333,353
Total Debits	195,261,043
Subtotal	201,931,559
Credits	
Collections from Components	186,346,372
Encumbrances - June 30, 2026	4,045,998
Adjustments - Credits to School Districts - Revenue in Excess of Expenditures	4,720,231
Total Credits	195,112,601
Balance, End of Year	$ 6,818,958

Summary:

A380 Accounts Receivable Components	$ 13,320,404
A431 School District Accounts	(6,501,446)
Balance, End of Year	$ 6,818,958

See Independent Auditor's Report.

BROOME TIOGA BOCES
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2026

Capital, Software Subscription Assets, Right to Use Assets, Net	$ 82,006,229
Add:	
Fund Balance Capital Fund	40,423,758
Deduct:	
Long-Term Debt, Software Subscription Assets, Retainage and Lease Payable	(56,943,939)
Net Investment in Capital Assets	$ 65,486,048

See Independent Auditor's Report.

BROOME TIOGA BOCES
COMBINING BALANCE SHEET-
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
Assets			
Restricted Cash and Cash Equivalents	$ 133,180	$	$ 133,180
Investments		93,300	93,300
Receivables			
Accounts Receivables		360,410	360,410
Total Assets	$ 133,180	$ 453,710	$ 586,890
Fund Balance			
Restricted	$ 133,180	$ 453,710	$ 586,890
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 133,180	$ 453,710	$ 586,890

BROOME TIOGA BOCES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Miscellaneous Special Revenue	Debt Service	Total Non-Major Service
Revenues			
Interest and Earnings	$ 1,463	$ 396,674	$ 398,137
Miscellaneous/Other Revenue	20,231		20,231
Total Revenues	21,694	396,674	418,368
Expenditures			
General Instruction	26,268		26,268
Excess (Deficit) Revenues Over Expenditures	(4,574)	396,674	392,100
Other Financing Sources (Uses)			
Premium on Bonds		604,312	604,312
Cost of Issuance		(547,276)	(547,276)
Total Other Financing Sources		57,036	57,036
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	(4,574)	453,710	449,136
Fund Balances, Beginning of Year			
Reclassification of Major Funds to Non-Major Funds	137,754		137,754
Fund Balances, End of Year	$ 133,180	$ 453,710	$ 586,890

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

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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, 2026, 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 20, 2026.

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 BOCES's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo & Co., LLP

October 20, 2026

Rome, New York