

S T. LAWRENCE-LEWIS
COUNTIES BOCES

FINANCIAL STATEMENTS

June 30, 2023

Table of Contents

ST. LAWRENCE-LEWIS COUNTIES BOCES

INDEPENDENT AUDITOR’S REPORT _____	1
MANAGEMENT’S DISCUSSION AND ANALYSIS _____	5
AUDITED BASIC FINANCIAL STATEMENTS _____	22
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES _____	22
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES _____	23
BALANCE SHEET – GOVERNMENTAL FUNDS _____	24
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION _____	25
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS _____	27
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES _____	28
STATEMENT OF FIDUCIARY NET POSITION _____	30
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION _____	31
NOTES TO AUDITED BASIC FINANCIAL STATEMENTS _____	32
REQUIRED SUPPLEMENTARY INFORMATION _____	82
SCHEDULE OF CHANGES IN THE BOCES’ TOTAL OPEB LIABILITY AND RELATED RATIOS _____	82
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL – GENERAL FUND _____	84
SCHEDULE OF THE BOCES’ PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN _____	86
SCHEDULE OF THE BOCES’ CONTRIBUTIONS – NYSLRS PENSION PLAN _____	87

SUPPLEMENTARY INFORMATION _____	88
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND _____	88
ANALYSIS OF ACCOUNT A431 SCHOOL DISTRICTS _____	89
SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES _____	90
NET INVESTMENT IN CAPITAL ASSETS _____	91
FEDERAL AWARD PROGRAM INFORMATION _____	92
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 <i>GOVERNMENT AUDITING STANDARDS</i>	93
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE _____	95
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS _____	98
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS _____	99
SCHEDULE OF FINDINGS AND QUESTIONED COSTS _____	101

INDEPENDENT AUDITOR'S REPORT

BOARD OF EDUCATION ST LAWRENCE-LEWIS COUNTIES BOCES

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of St. Lawrence-Lewis Counties BOCES as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the St. Lawrence Lewis Counties BOCES, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Lawrence Lewis Counties 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 these 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 St. Lawrence Lewis Counties 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 St. Lawrence Lewis Counties 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 St. Lawrence Lewis Counties 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 (pages 5-21), Schedule of Changes in the BOCES' Total OPEB Liability and Related Ratios (page 82), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) Basis and Actual – General Fund (page 84-85), Schedule of the BOCES' Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 86), and Schedule of the BOCES' Contributions – NYSLRS Pension Plan (page 87) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

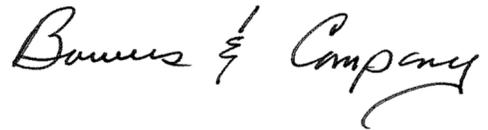
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Lawrence-Lewis Counties BOCES' basic financial statements. The Schedule of Change from Adopted Budget to Final Budget – General Fund, Analysis of Account A431 School Districts, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, and Net Investment in Capital Assets (pages 88-91) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards (Page 98) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financials statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Change from Adopted Budget to Final Budget – General Fund, Analysis of Account A431 School Districts, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Net Investment in Capital Assets (pages 88-91) and the Schedule of Expenditures of Federal Awards (Page 98) are 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 12, 2023 on our consideration of the St. Lawrence-Lewis Counties BOCES’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Lawrence-Lewis Counties BOCES’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Lawrence-Lewis Counties BOCES’ internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the main text block.

Watertown, New York
October 12, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

ORGANIZATIONAL PURPOSE AND DETAILED MISSION

The BOCES is formed, pursuant to New York State Education Law, by two or more school districts and a supervisory district for the purpose of providing various educational services on a cooperative or shared basis which services would either be economically unfeasible or duplicative for each school district to provide for itself. The State Legislature created Boards of Cooperative Educational Services in 1948 to operate as an extension of the public-school system.

This BOCES is a cooperative association of eighteen school districts, encompassing a land area of over 2,500 square miles in Upstate New York with administration offices located in the Village of Canton.

Member school districts participate in specific programs and services on a cost-sharing basis. In addition, they are eligible for state aid for all services they contract. The services that BOCES offers cover a wide spectrum of public education:

- Consolidated educational services and shared personnel, such as occupational and physical therapists;
- Specialized curriculum, including career and technical education courses, and curriculum development;
- Administrative support personnel;
- Technological support, such as the distance learning network, which uses fiber-optic cables to electronically connect school districts for audiovisual communication;
- Regional planning and coordination, which includes services such as the School Library System (an automated, computerized interlibrary loan system), and other programs and events, including Odyssey of the Mind and grant writing coordination;
- Community resource services, such as programs for mentally and physically handicapped students, career education, and adult GED and job skill courses.

ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

ORGANIZATIONAL PURPOSE AND DETAILED MISSION -

Continued

One of the unique aspects of the BOCES operation is the high degree of client representation in planning and decision-making. This involvement assures that new services are developed to meet the specific needs of the component schools while maintaining efficiency and allow school districts to utilize state BOCES aid.

The component school districts that comprise the BOCES are as follows:

Brasher Falls	Hammond	Massena
Canton	Harrisville	Morristown
Clifton-Fine	Hermon-DeKalb	Norwood-Norfolk
Colton-Pierrepoint	Heuvelton	Ogdensburg
Edwards-Knox	Lisbon	Parishville-Hopkinton
Gouverneur	Madrid-Waddington	Potsdam

FINANCIAL HIGHLIGHTS

The BOCES’ total net position of governmental activities decreased \$7,914,075 during the fiscal year ended June 30, 2023, which represents a 3.60% decrease in net position, as restated, from fiscal year ended June 30, 2022. The majority of this decrease can be attributed to the net expense related to the BOCES’ postemployment benefit obligation and related deferred outflows/inflows of resources.

Overall revenues of \$78,765,486 exceeded expenditures of \$72,670,761 by \$6,094,725 in the governmental fund financial statements.

The \$43.5 million CTE renovation project and \$1.4 million Energy Performance Contract were substantially completed in 2022-2023. In addition, \$932,335 was expended in 2022-2023 for a paving project that was funded through capital outlay.

The fund balance of the BOCES has increased to \$4,751,014 in 2023 from \$4,669,185 in 2022.

Among major funds, the General Fund had \$74,906,340 in revenues compared to \$66,840,159 in expenditures in fiscal year 2023. The General Fund also reported a net transfer out to the Capital Projects Fund of \$932,000. The General Fund does not retain operating surplus and any excess monies are refunded in the subsequent fiscal year to the component school districts. The amount to be refunded for fiscal year 2023 is \$7,134,181, which is an increase of \$1,572,447 from fiscal year 2022.

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The first two statements are *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 with all other non-major funds listed in total in one column. The BOCES did not have any non-major funds in the current fiscal year.

The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the BOCES acts solely as a *trustee* or *agent* for the benefit of others.

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

Figure A-1 summarizes the major features of the BOCES’ financial statements, including the portion of the BOCES activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Table A-1	Major Features of the BOCES-Wide and Fund Financial Statement		
		Fund Financial Statements	
	BOCES-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire BOCES (except fiduciary funds)	The activities of the BOCES that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the BOCES administers resources on behalf of someone else, such as Medical Plan and Workers Compensation Plan
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow / Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

BOCES-Wide Statements

The BOCES-wide statements report information about the BOCES as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the BOCES’ assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - Continued

BOCES-Wide Statements - Continued

The two BOCES-wide statements report the BOCES’ net position and how they have changed. Net position – the difference between the BOCES’ assets and deferred outflows of resources and the BOCES’ liabilities and deferred inflows of resources – is one way to measure the BOCES’ financial health or position.

Over time, increases or decreases in the BOCES’ net position is an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the BOCES’ overall health, additional non-financial factors such as changes in the BOCES component districts’ finances and the condition of school buildings and other facilities, need to be considered.

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 occupational and special education, instructional support and administration. Billings to component districts and state formula aid 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 “major” funds – not the BOCES’ as a whole. Funds are accounting devices the BOCES’ uses to keep track of specific sources of funding and spending on particular programs:

Some funds are required by State law and by bond covenants.

The BOCES establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Fund Financial Statements - Continued

The BOCES has two kinds of funds:

Governmental Funds: Most of the BOCES’ basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the BOCES’ programs. Because this information does not encompass the additional long-term focus of the BOCES-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

Fiduciary Funds: The BOCES is the trustee, or fiduciary, for assets that belong to others, such as the St. Lawrence-Lewis Counties School District Employees Medical and Workers’ Compensation Plan assets. 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.

FINANCIAL ANALYSIS OF THE BOCES FUNDS AS A WHOLE

Net position may serve over time as a useful indicator of a government’s financial condition. In the case of the BOCES, liabilities and deferred inflows exceeded assets and deferred outflows by \$227,538,750 at the close of the most recent fiscal year. This represents a \$7,914,075 decrease in the Statement of Net Position. The overall deficit is largely due to the BOCES other postemployment benefit (“OPEB”) liability. As of June 30, 2023, the OPEB liability was \$239,824,426 compared to \$294,150,141 reported at the close of the prior fiscal year.

ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE BOCES FUNDS AS A WHOLE -

Continued

The following table presents a condensed statement of net position for the fiscal year ended June 30, 2023 and June 30, 2022, respectively:

Condensed Statement of Net Position

	June 30, 2023	June 30, 2022	% Change
		(Restated)	
ASSETS			
Current Assets	\$ 39,121,656	\$ 36,629,758	6.80%
Net Pension Asset - Proportionate Share	-	20,624,027	-100.00%
Capital Assets, Net	62,332,775	65,173,632	-4.36%
TOTAL ASSETS	\$ 101,454,431	\$ 122,427,417	-17.13%
DEFERRED OUTFLOWS OF RESOURCES			
Other Postemployment Benefits	\$ 47,806,755	\$ 57,637,297	-17.06%
Pensions	14,474,032	15,635,401	-7.43%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 62,280,787	\$ 73,272,698	-15.00%
LIABILITIES			
Current Liabilities	\$ 36,231,739	\$ 33,838,744	7.07%
Long-Term Debt Outstanding	288,500,390	345,084,381	-16.40%
Net Pension Liability - Proportionate Share	7,913,374	-	100.00%
TOTAL LIABILITIES	\$ 332,645,503	\$ 378,923,125	-12.21%
DEFERRED INFLOWS OF RESOURCES			
Leases	\$ 922,662	\$ 739,361	24.79%
Other Postemployment Benefits	56,392,500	6,511,887	765.99%
Pensions	1,313,303	29,150,417	-95.49%
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 58,628,465	\$ 36,401,665	61.06%
NET POSITION			
Net Investment in Capital Assets	\$ 12,092,098	\$ 15,353,461	-21.24%
Restricted	4,719,344	4,742,546	-0.49%
Unrestricted (Deficit)	(244,350,192)	(239,720,682)	1.93%
TOTAL NET POSITION	\$ (227,538,750)	\$ (219,624,675)	-3.60%

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE BOCES FUNDS AS A WHOLE -

Continued

By far, the largest portion of the BOCES’ net position reflects its investment in capital assets (e.g., land and site improvements, buildings and fixtures, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The BOCES uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the BOCES’ investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition to assets, the *Statement of Net Position* reports 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. Included in deferred outflows of resources in the current year is \$14,474,032 related to the BOCES’ participation in the NYS TRS and ERS pension systems and \$47,806,755 related to the BOCES’ OPEB Plan.

In addition to liabilities, the *Statement of Net Position* or Balance Sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources in the current year is \$1,313,303 related to the BOCES’ participation in the NYS TRS and ERS pension systems, \$56,392,500 related to the BOCES’ OPEB Plan and \$922,662 related to leases.

The BOCES’ financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, actuary post-retirement health insurance valuation, and the depreciation of capital assets.

Changes in Net Position from Operating Results

The BOCES’ total revenues for the fiscal year ended June 30, 2023 and June 30, 2022, were \$78,748,756 and \$77,700,077, respectively. The total cost of all programs and services was \$79,693,717 for the year ended June 30, 2023 and \$85,910,879 for the year ended June 30, 2022. The following table presents a summary of the changes in net position from operating results for the fiscal years ended June 30, 2023 and June 30, 2022, respectively:

ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE BOCES FUNDS AS A WHOLE -

Continued

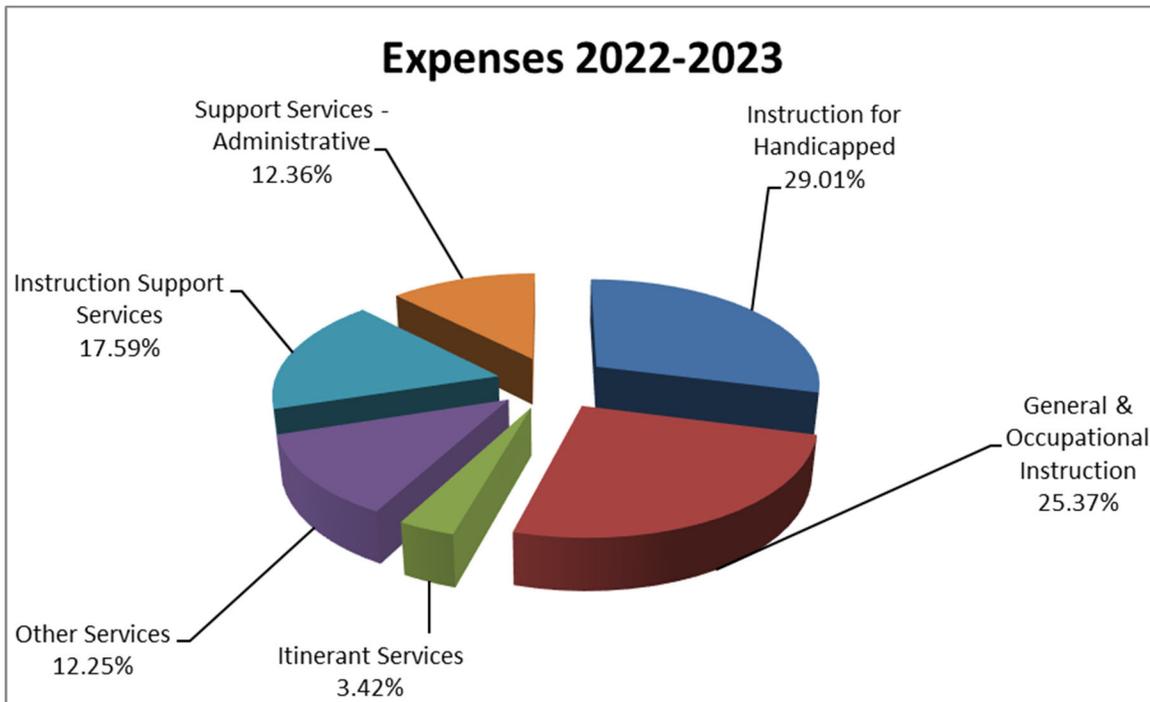
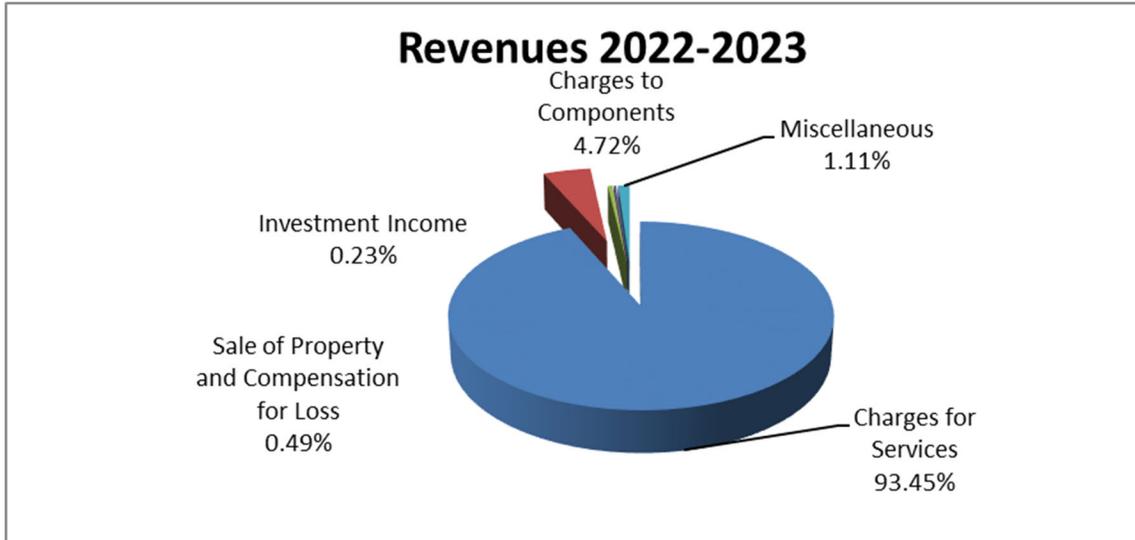
Changes in Net Position from Operating Results - Continued

	June 30, 2023	June 30, 2022	% Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 73,592,620	\$ 73,119,728	0.65%
Operating Grants	3,709,136	3,413,893	8.65%
General Revenues			
Sale of Property & Compensation for Loss	388,047	297,560	30.41%
Investment Income	184,718	44,080	319.05%
Miscellaneous	874,235	824,816	5.99%
Total Revenues	\$ 78,748,756	\$ 77,700,077	1.35%
Expenses:			
Instruction for Special Education	\$ 23,121,428	\$ 26,641,512	-13.21%
General & Occupational Instruction	20,220,749	20,446,883	-1.11%
Itinerant Services	2,725,359	3,536,456	-22.94%
Other Services	9,762,691	12,047,170	-18.96%
Instruction Support Services	14,016,482	13,467,296	4.08%
Support Services - Administrative	9,847,008	9,771,562	0.77%
Total Expenses	\$ 79,693,717	\$ 85,910,879	-7.24%
Change in Net Position Before Other Changes In Net Position	\$ (944,961)	\$ (8,210,802)	-88.49%

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

FINANCIAL ANALYSIS OF THE BOCES FUNDS AS A WHOLE -
Continued



ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

BUDGETARY HIGHLIGHTS

Over the course of the year, the BOCES revised the annual revenue budget for student and program growth. In order to revise budgets, School Districts request the change in writing to the BOCES. The difference between the original budget and the final amended budget was 4.6%. The \$3,302,527 increase can be briefly summarized as follows:

	Original Budget	Final Budget	Increase (Decrease)
Administration	\$ 13,344,056	\$ 13,325,646	\$ (18,410)
Occupational Instruction	11,615,593	12,073,985	458,392
Instruction for Special Education	24,295,826	22,964,818	(1,331,008)
Itinerant Services	3,001,170	2,911,836	(89,334)
General Instruction	1,528,792	1,714,992	186,200
Instructional Support	9,216,561	12,413,386	3,196,825
Other Services	8,619,815	9,501,677	881,862
Interfund Transfers	-	18,000	18,000
Total	\$ 71,621,813	\$ 74,924,340	\$3,302,527

Instructional Support saw the largest budget increase. This can be attributed to increased requests for technology as districts purchased more technology equipment and utilized more printing on BOCES copiers. Also, a new service was added in 2022-2023 to provide Diversity, Equity and Inclusion (DEI), and Culturally Responsive-Sustaining Education (CRSE) resources to districts.

The table below shows how the actual expenditures compare to budget amounts:

	Final Budget	Actual Expenditures	Variance
Administration	\$ 12,393,646	\$ 11,817,158	\$ 576,488
Occupational Instruction	12,073,985	11,914,524	159,461
Instruction for Special Education	22,964,818	18,586,751	4,378,067
Itinerant Services	2,911,836	2,330,181	581,655
General Instruction	1,714,992	1,486,302	228,690
Instructional Support	12,413,386	11,790,721	622,665
Other Services	9,501,677	8,914,522	587,155
Interfund Transfers	950,000	950,000	-
Total	\$ 74,924,340	\$ 67,790,159	\$7,134,181

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

BUDGETARY HIGHLIGHTS - Continued

There were budget variances in several categories in 2022-2023. Special Education saw the largest variance with a positive amount of \$4,378,067 under budget. A majority of this variance was in the salary, benefits, and contractual categories. The BOCES faced labor shortages in 2022-2023 which made hiring teachers, teaching assistants and related service providers difficult. Many positions were filled with long-term substitutes and/or retirees where the salaries and benefits paid were less than budgeted.

ANALYSIS OF THE BOCES’ FUNDS

General Fund

The General Fund had total expenditures (including net interfund transfers) of \$67,772,159 and total revenues of \$74,906,340. The General Fund does not retain surplus and any excess monies are refunded in the subsequent fiscal year to the component school districts. The amount to be refunded from the 2022-2023 budget is \$7,134,181, which is an increase of \$1,572,447 from the previous fiscal year refund. A majority of this increase is attributable to the fluctuation in special education staffing and enrollments throughout the year.

The major portion of the General Fund expenditures goes directly to the Instruction for Special Education programs- \$18,586,751 (27.81%). Other major categories in the General Fund are General and Occupational Instruction - \$13,400,826 (20.05%), Other Services - \$8,914,522 (13.34%) and Instructional Support - \$11,790,721 (17.64%).

Charges to component districts comprise the largest portion of revenues in the General Fund. From 2022 to 2023, there was an increase of \$566,775, or .79%. in this category. This increase can be attributed to increased requests for special education related services along with increased technology requests. The BOCES also saw an increase of \$129,118 in interest earnings from 2022 to 2023 as interest rates increased.

The overall fund balance of the BOCES increased in 2023 by \$165,067. The majority of this increase can be attributed to the budget surpluses from the Special Education and Instructional Support areas.

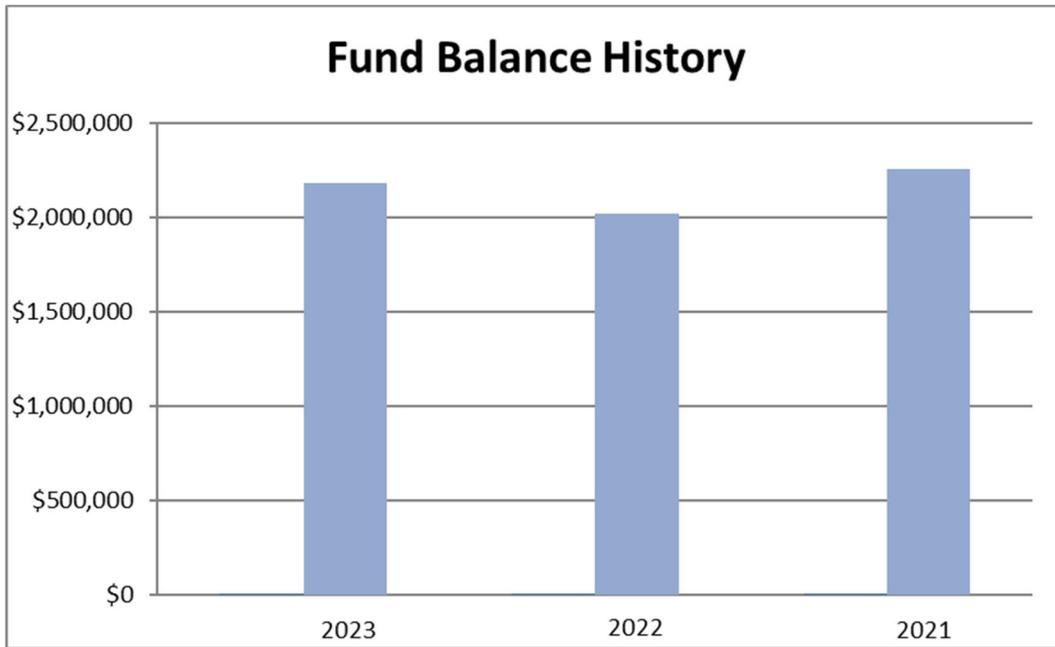
MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

ANALYSIS OF THE BOCES’ FUNDS - Continued

General Fund - Continued

Following is a chart showing the General Fund fund balance at year-end for the last three years:



Special Aid Fund

There was an increase in revenues from both state and miscellaneous sources from fiscal year 2022 to fiscal year 2023. It should be noted that federal funding decreased slightly and is anticipated to continue to decrease in the future as the federal stimulus funds expire.

ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

ANALYSIS OF THE BOCES’ FUNDS - Continued

Special Aid Fund - Continued

The table below shows the revenues and expenditures recorded in the Special Aid Fund for the fiscal years ended June 30, 2023 and 2022.

	2023	2022
Revenues:		
Charges for Services	\$ 370,081	\$ 282,645
Sale of Property & Compensation for Loss	-	1,204
Miscellaneous	1,314,000	1,243,039
State Sources	1,350,560	1,139,971
Federal Sources	785,948	811,221
Total Revenues	\$ 3,820,589	\$ 3,478,080
Expenses:		
Occupational Instruction	\$ 724,689	\$ 844,776
Instruction for Special Education	1,337,395	1,213,739
General Instruction	409,760	376,916
Instructional Support	1,243,714	1,094,187
Other Services	-	-
Total Expenses	\$ 3,715,558	\$ 3,529,618

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the BOCES had invested \$62,332,775 in capital assets, net of accumulated depreciation and amortization, including school buildings, site improvements, fixtures, vehicles, and office, computers, shop equipment and intangible right to use lease assets.

ST. LAWRENCE-LEWIS COUNTIES BOCES

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

The following schedule presents changes in capital asset balances, net of depreciation and amortization, for the fiscal year ended June 30, 2023.

	Balance		Retirements/		Balance
	6/30/2022	Additions	Reclassifications		6/30/2023
Land	\$ 576,295	\$ -	\$ -		\$ 576,295
Site Improvements	3,379,694	932,335	-		4,312,029
Buildings	73,865,010	226,491	-		74,091,501
Furniture and Equipment	9,004,725	212,312	(527,764)		8,689,273
Intangible Lease Assets, as Restated	2,772,883	938,559	(444,151)		3,267,291
Less: Accumulated Depreciation and Amortization	<u>(24,424,975)</u>	<u>(5,041,396)</u>	<u>862,757</u>		<u>(28,603,614)</u>
Total	<u>\$ 65,173,632</u>	<u>\$ (2,731,699)</u>	<u>\$ (109,158)</u>		<u>\$ 62,332,775</u>

Long-Term Debt

At year-end, the BOCES had \$299,415,682 in NYS Dormitory Authority Bonds, Installment Purchase Debt, lease liability, and other long-term debt outstanding, of which \$3,001,918 is due within one year.

The following table presents a summary of changes in the BOCES’ outstanding long-term debt for the fiscal year ended June 30, 2023:

	6/30/2022	Increases	Reductions	6/30/2023
NYS Dormitory Authority	\$ 43,590,000	\$ -	\$ (1,980,000)	\$ 41,610,000
Installment Purchase Debt	1,436,617	-	(82,000)	1,354,617
Compensated Absences	1,474,943	-	(37,738)	1,437,205
Premium on Bonds	5,882,918	-	(302,958)	5,579,960
Other Postemployment Benefits Liability	294,150,141	-	(54,325,715)	239,824,426
Net Pension Liability - Proportionate Share	-	7,913,374	-	7,913,374
Lease Liability, As Restated	<u>1,400,329</u>	<u>956,218</u>	<u>(660,447)</u>	<u>1,696,100</u>
Total	<u>\$ 347,934,948</u>	<u>\$ 8,869,592</u>	<u>\$ (57,388,858)</u>	<u>\$ 299,415,682</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Long-Term Debt - Continued

The BOCES carries a Moody’s rating of “Aa3” currently, as a new general obligation debt exists.

State statutes currently limit the amount of general obligation debt a BOCES may issue to a maximum of the unencumbered constitutional debt limits remaining among the component districts. The current debt limitation for the BOCES is substantially more than the BOCES outstanding general obligation debt.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The uncertainty of federal and state funding can have a profound impact on the financial health of the component districts. During the pandemic, the component districts received federal funding that is set to expire September 2024. There is also a projected state deficit that could lead to further aid decreases for the districts.

Student enrollment in the component districts has been decreasing at a rate of 1% to 1½% per year. This continuous decline in enrollment could negatively impact the enrollment in the BOCES programs over time.

The BOCES is in the early stages of planning for a new capital project. Financing for this project will line up with the retirement of the 2015 DASNY bonds in August 2026.

The BOCES is a member of a health care consortium with other component school districts. In January 2023, the consortium implemented an Employee Group Waiver Program (EGWP) for its Medicare population. It is anticipated that this new program will save money on prescription drug costs and lead to higher PBM rebates. The consortium has been building fund balance over the last several years which will help keep the premium increases below national averages for the next few years.

The labor contract with the Federation of Instructional Support Personnel expired on June 30, 2023. Preliminary negotiation sessions were held with an impasse being declared in late summer. The contracts with the Non-Instructional Support Staff Association and Teachers’ Association expire June 30, 2024, and June 30, 2025, respectively.

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET-

Continued

Inflation is affecting supply costs as well as energy costs for the BOCES in 2023-2024. Any budget shortfalls will need to be balanced with budget surpluses from other categories. This may result in a reduced operating surplus which will impact the BOCES refunds, and the amount returned to districts in the subsequent year.

The BOCES is experiencing labor shortages in many areas. This could impact the level of service provided to the districts if staffing levels are not adequate.

CONTACTING THE BOCES’ FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the BOCES’ finances and to demonstrate the BOCES’ accountability for the resources it receives. If you have questions about this report or need additional information, contact:

Director of Financial Affairs
St. Lawrence-Lewis Board of Cooperative Educational Services
PO Box 231
40 West Main Street
Canton, New York 13617

ST. LAWRENCE-LEWIS COUNTIES BOCES

AUDITED BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

June 30, 2023

ASSETS		
Cash and Cash Equivalents		
Unrestricted	\$	15,020,515
Restricted		3,615,629
Investments		
Restricted		3,132,458
Receivables		
Lease Receivable		933,237
State and Federal Aid		13,679,031
E-rate Receivable		172,912
Due from Other Governments		114,194
Other Receivables		2,439,409
Prepaid Expenditures		14,271
Capital Assets, Net		62,332,775
TOTAL ASSETS	\$	101,454,431
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	\$	47,806,755
Pensions		14,474,032
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	62,280,787
LIABILITIES		
Payables		
Accounts Payable	\$	953,843
Accrued Liabilities		1,470,980
Due to Other Governments		96,150
Due to Fiduciary Funds		3,053
Due to Teachers' Retirement System		2,041,596
Due to Employees' Retirement System		294,252
Due to School Districts		20,211,754
Bond Interest and Principal Payable		2,655,394
Unearned Credits		
Overpayments and Collections in Advance		2,799
Notes Payable		
Revenue Anticipation		5,500,000
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premiums		2,352,958
Lease Liability		565,960
Installment Purchase Debt Payable		83,000
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premiums		44,837,002
Lease Liability		1,130,140
Installment Purchase Debt Payable		1,271,617
Compensated Absences Payable		1,437,205
Other Postemployment Benefits Payable		239,824,426
Net Pension Liability - Proportionate Share		7,913,374
TOTAL LIABILITIES	\$	332,645,503
DEFERRED INFLOWS OF RESOURCES		
Leases	\$	922,662
Other Postemployment Benefits		56,392,500
Pensions		1,313,303
TOTAL DEFERRED INFLOWS OF RESOURCES	\$	58,628,465
NET POSITION		
Net Investment in Capital Assets	\$	12,092,098
Restricted for		
Capital Projects		2,300,865
Other Legal Restrictions		2,418,479
Unrestricted (Deficit)		(244,350,192)
TOTAL NET POSITION	\$	(227,538,750)

See notes to audited basic financial statements.

ST. LAWRENCE-LEWIS COUNTIES BOCES

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2023

		<u>Program Revenues</u>		<u>Net (Expenses)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenues and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Position</u>
FUNCTIONS/PROGRAMS				
Administration	\$ 9,847,008	\$ 13,144,056	\$ -	\$ 3,297,048
Occupational Instruction	17,964,289	11,577,435	735,469	(5,651,385)
Instruction for Special Education	23,121,428	22,947,518	1,306,076	1,132,166
Itinerant Services	2,725,359	2,906,067	-	180,708
General Instruction	2,256,460	1,478,129	572,255	(206,076)
Instructional Support	14,016,482	12,154,603	1,095,336	(766,543)
Other Services	9,762,691	9,384,812	-	(377,879)
	<u>\$ 79,693,717</u>	<u>\$ 73,592,620</u>	<u>\$ 3,709,136</u>	<u>(2,391,961)</u>
GENERAL REVENUES				
Use of Money and Property				184,718
Gain on Disposition of Property				388,047
Miscellaneous				874,235
				<u>1,447,000</u>
Other Changes in Net Position				<u>(6,969,114)</u>
Change in Net Position				<u>(7,914,075)</u>
Net Position - Beginning of Year, as Restated				<u>(219,624,675)</u>
Net Position - End of Year				<u>\$ (227,538,750)</u>

See notes to audited basic financial statements.

ST. LAWRENCE-LEWIS COUNTIES BOCES

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2023

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents				
Unrestricted	\$ 14,181,227	\$ 839,288	\$ -	\$ 15,020,515
Restricted	2,168,796	-	1,446,833	3,615,629
Investments				
Restricted	2,873,553	-	258,905	3,132,458
Receivables				
Lease Receivable	933,237	-	-	933,237
State and Federal Aid	13,077,573	601,458	-	13,679,031
E-Rate	172,912	-	-	172,912
Due from Other Governments	-	114,194	-	114,194
Due from Other Funds	1,327,751	-	844,811	2,172,562
Other	2,407,988	31,421	-	2,439,409
Prepaid Expenditures	14,271	-	-	14,271
TOTAL ASSETS	\$ 37,157,308	\$ 1,586,361	\$ 2,550,549	\$ 41,294,218
LIABILITIES				
Payables				
Accounts Payable	\$ 861,170	\$ 92,673	\$ -	\$ 953,843
Accrued Liabilities	1,413,947	57,033	-	1,470,980
Due to Other Governments	7,444	88,706	-	96,150
Due to Other Funds	844,811	1,327,751	-	2,172,562
Due to Fiduciary Fund	3,053	-	-	3,053
Due to Teachers' Retirement System	2,041,596	-	-	2,041,596
Due to Employees' Retirement System	294,252	-	-	294,252
Due to School Districts	20,211,754	-	-	20,211,754
Bond Interest and Principal Payable	2,873,553	-	-	2,873,553
Note Payable				
Revenue Anticipation	5,500,000	-	-	5,500,000
Unearned Credits				
Overpayments and Collections in Advance	-	2,799	-	2,799
Total Liabilities	34,051,580	1,568,962	-	35,620,542
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow of Resources - Leases	922,662	-	-	922,662
Total Deferred Inflows of Resources	922,662	-	-	922,662
FUND BALANCES				
Nonspendable	14,271	-	-	14,271
Restricted	2,168,795	-	2,550,549	4,719,344
Assigned	-	17,399	-	17,399
Total Fund Balances	2,183,066	17,399	2,550,549	4,751,014
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	\$ 37,157,308	\$ 1,586,361	\$ 2,550,549	\$ 41,294,218

See notes to audited basic financial statements.

ST. LAWRENCE-LEWIS COUNTIES BOCES

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

June 30, 2023

Total Fund Balance - Governmental Funds \$ 4,751,014

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Net Pension Liability - Proportionate Share - TRS	\$ 1,851,260	
Net Pension Liability - Proportionate Share - ERS	<u>6,062,114</u>	(7,913,374)

Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Other Postemployment Benefits	\$ 56,392,500	
Pensions	<u>1,313,303</u>	(57,705,803)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Other Postemployment Benefits	\$ 47,806,755	
Pensions	<u>14,474,032</u>	62,280,787

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:

The Cost of Capital Assets is	\$ 90,936,389	
Accumulated Depreciation and Amortization is	<u>(28,603,614)</u>	62,332,775

ST. LAWRENCE-LEWIS COUNTIES BOCES

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION - CONTINUED

June 30, 2023

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

Bonds Payable	\$ 41,610,000	
(Prepaid) Interest on Bonds Payable	(218,159)	
Installment Purchase Debt Payable	1,354,617	
Lease Liability	1,696,100	
Compensated Absences Payable	1,437,205	
Other Postemployment Benefits Payable	239,824,426	
Premium on Bond Issue	5,579,960	(291,284,149)
Total Net Position - Governmental Activities		<u><u>\$ (227,538,750)</u></u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS**

Year Ended June 30, 2023

	General	Special Aid	Capital Projects	Total Governmental Funds
REVENUES				
Charges for Services	\$ 63,155	\$ 370,081	\$ -	\$ 433,236
Charges to Components	72,448,153	-	-	72,448,153
Charges to Other BOCES	1,092,832	-	-	1,092,832
Use of Money and Property	134,641	-	38,557	173,198
Sale of Property and Compensation for Loss	393,764	-	-	393,764
Miscellaneous	773,795	1,314,000	-	2,087,795
State Sources	-	1,350,560	-	1,350,560
Federal Sources	-	785,948	-	785,948
Total Revenues	<u>74,906,340</u>	<u>3,820,589</u>	<u>38,557</u>	<u>78,765,486</u>
EXPENDITURES				
Administration	11,817,158	-	-	11,817,158
Occupational Instruction	11,914,524	724,689	-	12,639,213
Instruction for Special Education	18,586,751	1,337,395	-	19,924,146
Itinerant Services	2,330,181	-	-	2,330,181
General Instruction	1,486,302	409,760	-	1,896,062
Instructional Support	11,790,721	1,243,714	956,218	13,990,653
Other Services	8,914,522	-	-	8,914,522
Capital Outlay	-	-	1,158,826	1,158,826
Total Expenditures	<u>66,840,159</u>	<u>3,715,558</u>	<u>2,115,044</u>	<u>72,670,761</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,066,181</u>	<u>105,031</u>	<u>(2,076,487)</u>	<u>6,094,725</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds from Debt - Leases	-	-	956,218	956,218
Operating Transfers In	18,000	-	950,000	968,000
Operating Transfers (Out)	(950,000)	-	(18,000)	(968,000)
Total Other Financing Sources and (Uses)	<u>(932,000)</u>	<u>-</u>	<u>1,888,218</u>	<u>956,218</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	<u>7,134,181</u>	<u>105,031</u>	<u>(188,269)</u>	<u>7,050,943</u>
OTHER CHANGES IN FUND BALANCES				
Refund of Surplus Unpaid	(7,134,181)	-	-	(7,134,181)
Employee Benefit Accrued Liability	187,028	-	-	187,028
Reserve for Unemployment Insurance	(21,961)	-	-	(21,961)
Total Other Changes in Fund Balances	<u>(6,969,114)</u>	<u>-</u>	<u>-</u>	<u>(6,969,114)</u>
Net Change in Fund Balances	165,067	105,031	(188,269)	81,829
Fund Balances (Deficit) - Beginning of Year	<u>2,017,999</u>	<u>(87,632)</u>	<u>2,738,818</u>	<u>4,669,185</u>
Fund Balances - End of Year	<u>\$ 2,183,066</u>	<u>\$ 17,399</u>	<u>\$ 2,550,549</u>	<u>\$ 4,751,014</u>

See notes to audited basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 81,829

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets with an initial, individual cost of more than \$5,000 are capitalized and in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which loss on disposals and depreciation and amortization expense exceeded capital outlays in the current period.

Capital Outlays	\$ 2,309,697	
Loss on Disposal	(5,717)	
Depreciation and Amortization Expense	<u>(5,041,396)</u>	(2,737,416)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt and lease repayments made in the current period. 2,619,006

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The following items resulted in increased interest expense being reported on the Statement of Activities:

Increase in Prepaid Interest	\$ 218,159	
Decrease in Accrued Interest	(233,035)	
Amortization of Bond Premium	<u>302,958</u>	288,082

Proceeds of long-term debt and lease obligations are recorded as revenue for governmental funds but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received and lease obligations in the current year. (956,218)

ST. LAWRENCE-LEWIS COUNTIES BOCES

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
- CONTINUED**

Year Ended June 30, 2023

On the Statement of Activities, certain operating expenses--compensated absences (vacations and certain sick pay), special termination benefits (early retirement) -- are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	37,738	
On the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.	(5,385,440)	
(Increases) decreases in proportionate share of net pension asset (liability) and related deferred outflows/inflows 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	\$ (778,268)	
Employees' Retirement System	(1,083,388)	(1,861,656)
Change in Net Position of Governmental Activities		<u><u>\$ (7,914,075)</u></u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Custodial
Assets	
Cash and Cash Equivalents	
Restricted	\$ 39,620,013
Due from Governmental Funds	<u>3,053</u>
Total Assets	<u><u>\$ 39,623,066</u></u>
Net Position	
Restricted	
Medical Plan	\$ 34,210,190
Workers' Compensation Plan	<u>5,412,876</u>
Total Net Position	<u><u>39,623,066</u></u>
TOTAL NET POSITION	<u><u>\$ 39,623,066</u></u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

	Custodial
ADDITIONS	
Premiums from Districts	\$ 79,028,890
Other Related Additions	7,655,436
Total Additions	<u>86,684,326</u>
DEDUCTIONS	
Claims Paid	76,012,404
Other Related Deductions	5,523,106
Total Deductions	<u>81,535,510</u>
Change in Net Position	5,148,816
Net Position - Beginning of Year	<u>34,474,250</u>
Net Position - End of Year	<u><u>\$ 39,623,066</u></u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Lawrence-Lewis Counties BOCES (the BOCES) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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. Significant accounting principles and policies used by the BOCES are described below:

Reporting Entity

Boards of Cooperative Educational Services (BOCES) were established by New York State legislation in 1948 to enable smaller school districts to offer more breadth in their educational programs by sharing teachers. In 1955, Legislation was passed allowing BOCES to provide vocational and special education. A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs that provide educational and support activities more economically, efficiently and equitably than could be provided locally. BOCES provides instructional and support programs and services to the following 18 school districts in New York’s St. Lawrence and Lewis Counties:

Brasher Falls CSD	Canton CSD
Clifton-Fine CSD	Colton-Pierrepoint CSD
Edwards-Knox CSD	Gouverneur CSD
Hammond CSD	Harrisville CSD
Hermon-DeKalb CSD	Heuvelton CSD
Lisbon CSD	Madrid-Waddington CSD
Massena CSD	Morristown CSD
Norwood-Norfolk CSD	Ogdensburg City SD
Parishville-Hopkinton CSD	Potsdam CSD

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

The reporting entity of the BOCES is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

The accompanying financial statements present the activities of the BOCES. The BOCES is not a component unit of another reporting entity. The decision to include a potential component unit in the BOCES' reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no component units are included in the BOCES' reporting entity.

Basis of Presentation

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

The *Statement of Net Position* presents the financial position of the BOCES at fiscal year-end. The *Statement of Activities* presents a comparison between direct expenses and 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. 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.

Fund Statements

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

The BOCES reports the following major governmental funds:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special Aid Fund: Used to account for proceeds received from Federal and State grants that are restricted for specific educational programs.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

The BOCES reports the following fiduciary funds:

Fiduciary Funds: Fiduciary activities are those in which the BOCES acts as trustee or agent for resources that belong to others. These activities are not included in the BOCES-wide financial statements because their resources do not belong to the BOCES and are not available to be used.

The BOCES only uses one class of fiduciary funds:

Custodial Funds: These funds are limited to assets that are being held for individuals, private organizations, or other governments that are held in a trust. Assets are held by the BOCES as agent for St. Lawrence-Lewis Counties School District Employees Medical Plan and Workers Compensation Plan. BOCES collects the deposits and makes disbursements as directed by the Plans management.

Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting - Continued

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

The 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 collectible within sixty days after the end of the fiscal year at it matches the liquidation of related obligations.

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, acquisitions under installment purchase debt and leases are reported as other financing sources.

Restricted Resources

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

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Interfund Transactions – Continued

In the BOCES-wide statements, the amounts reported on the *Statement of Net Position* for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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.

Cash and Cash Equivalents

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

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

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments are stated at amortized cost.

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 year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the BOCES-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

The BOCES' reported prepaid items totaling \$14,271 in the General Fund which represents the BOCES contribution to the School and Municipal Energy Cooperative of WNY ("SMEC"). Contributions made by member districts are recorded by SMEC as a current liability, and members are allocated a share of the organization's net assets based on each participant's share of premiums paid for that year.

Other Assets/Restricted Assets

In the BOCES-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

Capital Assets

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets - Continued

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

	Capitalization Threshold	Depreciation Model	Estimated Useful Life
Site Improvements	\$5,000	Straight-line	10-20
Buildings	5,000	Straight-line	15-50
Furniture & Equipment	5,000	Straight-line	3-15
Capital Leases	5,000	Straight-line	2-5

The BOCES does not possess any infrastructure.

Intangible Lease Assets

Intangible lease 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, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of \$5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The BOCES has two items that qualify for reporting in this category. The first item is related to pensions and Other Postemployment Benefit (OPEB) reported in the BOCES-wide Statement of Net Position. The deferred outflows of resources related to pensions 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 proportion share of total contributions to the pension systems not included in pension expense. The deferred outflows of resources related to OPEB represents the effect of the differences between expected and actual experience, and changes of assumptions or other inputs. The second item is the BOCES' contributions to the New York State Teachers' and Employees' pension systems and to OPEB plan subsequent to the measurement date.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Outflows and Inflows of Resources - Continued

In addition to liabilities, the Statement of Net Position or Balance Sheet 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 or fund balance 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 (TRS and ERS system) and difference during the measurement periods between the BOCES' contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the BOCES-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs. The third item is related to leases and represents the present value of future payments the District will collect as lessor over the life of the lease.

Unearned Revenue

The BOCES reports unearned revenue on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the BOCES before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the BOCES has legal claim to resources, the liability for unearned revenue is removed and the revenue is recognized.

Vested Employee Benefits

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Vested Employee Benefits - Continued

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the BOCES-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other Benefits

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

BOCES employees may choose to participate in the BOCES' elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the BOCES provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the BOCES' employees may become 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 post-retirement benefits is shared between the BOCES and the retired employee. The BOCES recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Short-Term Debt

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Short-Term Debt - Continued

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

The BOCES may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year in which they were issued.

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 full, in a timely manner, from current financial resources. Claims and judgments, other postemployment benefits payable, 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.

Equity Classifications

BOCES-Wide Statements

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

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications - Continued

Restricted Net Position – reports net position when constraints placed on the assets or deferred outflows of resources 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 the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the BOCES.

Fund Statements

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

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes SMEC contributions of \$14,271 recorded in the General Fund.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The BOCES has established the following restricted fund balances:

The BOCES has established the following restricted fund balances:

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee’s service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Unemployment Insurance

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

Retirement Contributions

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund 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 if 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 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, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Advanced Technical Equipment

The reserve is authorized by §1950(4)(ee) of the Education Law. The reserve is established by the Board and a vote of a majority of the Boards of the participating districts. The purpose of the reserve is to purchase advanced technology equipment to be used for instruction in state approved careers and technical education. All purchases are subject to approval by the Commission of Education. The maximum amount that may be retained in the reserve is equal to the greatest of 20% of the current career education services budget or \$500,000, provided the total amount shall not exceed \$2,000,000. Any amounts remaining in the reserve at time of liquidation shall be distributed to the participating districts within 90 days. This reserve is accounted for in the Capital Projects Fund.

Restricted Fund Balance includes the following:

General Fund	
Employee Benefit Accrued Liability	\$ 700,083
Retirement Contributions	682,317
Unemployment Insurance	786,395
Capital Projects Fund	
Advanced Technical Equipment	205,583
Debt Reserve - DASNY	44,101
BOCES-wide Capital Project	2,300,865
Total Restricted Funds	\$ 4,719,344

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. The BOCES has no committed fund balances as of June 30, 2023.

Assigned - Includes amounts that are constrained by the BOCES’ intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications - Continued

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the BOCES and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

Order of Use of Fund Balance

The BOCES' policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

New Accounting Standards

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

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 99, *Omnibus 2022*.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Future Changes in Accounting Standards

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025.

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

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND BOCES-WIDE
STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the 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 BOCES-wide statements, compared with the current financial resources focus of the governmental funds.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND BOCES-WIDE
STATEMENTS - Continued**

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

Total fund balances of the BOCES' governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other postemployment benefits payable.

Statement of Revenues, Expenditures, and Changes in Fund Balances vs. Statement of Activities

Differences between the funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

1. Long-Term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences:

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

3. Long-Term Debt Transactions Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND BOCES-WIDE
STATEMENTS - Continued**

Statement of Revenues, Expenditures, and Changes in Fund Balances vs. Statement of Activities - Continued

4. Pension Differences:

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

5. OPEB Differences:

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

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND
ACCOUNTABILITY**

Budgets

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

The BOCES administration prepares a proposed administrative, capital and program budget, as applicable, for approval by members of the BOCES board for the General Fund.

Appropriations for educational services are adopted at the program level.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND
ACCOUNTABILITY - Continued**

Budgets - Continued

A tentative administrative budget is provided to the component BOCES for adoption by resolution. Approval of the tentative administrative budget requires the approval of a majority of the component school boards actually voting. During the current year, the administrative budget was approved by a majority of its voting component school boards.

Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. The BOCES Board can approve supplementary appropriations based upon requests for additional services and surplus revenues. See the supplemental information schedule *“Change from Adopted Budget to Final Budget”* for supplementary appropriations during the current year.

Budgets are 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.

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

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

Encumbrances

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

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 4 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS

Cash

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

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

Uncollateralized	<u>\$ -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the BOCES' name.	<u>\$ 26,784,389</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$2,168,796 restricted for various fund balance reserves in the General Fund, \$1,446,833 restricted for the voter approved capital project and reserves in the Capital Projects Fund within the governmental funds and \$39,620,013 restricted for St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan and Medical Plan in the Fiduciary Fund.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the BOCES' agent in the BOCES' name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the BOCES' name, or (3) uncollateralized. At June 30, 2023 all deposits were fully insured and collateralized by the BOCES' agent, but not in the BOCES' name.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

**NOTE 4 – CASH AND CASH EQUIVALENTS – CUSTODIAL
CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE,
AND FOREIGN CURRENCY RISKS - Continued**

Cash - Continued

BOCES follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State, and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of BOCES.

The BOCES does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The BOCES does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency.

NOTE 5 – INVESTMENTS

The BOCES considers all highly liquid investments (including restricted assets) with original maturities of one year or less when purchased to be cash equivalents. The BOCES' investment policy for these investments is also governed by New York State statutes.

Total investments as of year-end were valued at an amortized cost of \$2,873,553 in the General Fund and \$258,905 in the Capital Projects Fund. Investments consist of United States Treasury Notes/Bonds and are carried at amortized costs due to remaining maturities at time of purchase of one year or less.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 – CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS

Capital asset balances and activity were as follows:

Governmental Activities	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	\$ 576,295	\$ -	\$ -	\$ 576,295
Total Nondepreciable Assets	<u>576,295</u>	<u>-</u>	<u>-</u>	<u>576,295</u>
Other Capital Assets:				
Site Improvements	3,379,694	932,335	-	4,312,029
Buildings & Improvements	73,865,010	226,491	-	74,091,501
Furniture and Equipment	9,004,725	212,312	(527,764)	8,689,273
Intangible Lease Assets, As Restated	2,772,883	938,559	(444,151)	3,267,291
Total Other Capital Assets	<u>89,022,312</u>	<u>2,309,697</u>	<u>(971,915)</u>	<u>90,360,094</u>
Less Accumulated Depreciation and Amortization:				
Site Improvements	1,289,216	150,261	-	1,439,477
Buildings & Improvements	14,885,956	3,563,821	-	18,449,777
Furniture and Equipment	6,809,511	783,185	(517,907)	7,074,789
Intangible Lease Asset, As Restated	1,440,292	544,129	(344,850)	1,639,571
Total Accumulated Depreciation and Amortization	<u>24,424,975</u>	<u>5,041,396</u>	<u>(862,757)</u>	<u>28,603,614</u>
Total Other Capital Assets, Net	<u>64,597,337</u>	<u>(2,731,699)</u>	<u>(109,158)</u>	<u>61,756,480</u>
Capital Assets, Net	<u>\$ 65,173,632</u>	<u>\$ (2,731,699)</u>	<u>\$ (109,158)</u>	<u>\$ 62,332,775</u>

Depreciation and amortization expense was charged to governmental functions as follows:

Administration	\$ 67,491
Occupational Instruction	3,855,643
Instruction for Special Education	144,252
Itinerant Services	2,604
General Instruction	64,030
Instructional Support	764,343
Other Services	143,033
Total Depreciation and Amortization Expense	<u>\$ 5,041,396</u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 – LEASE RECEIVABLE

The BOCES, as a lessor, has entered into various lease agreements involving equipment and property with multiple component Districts. The leases have 3-5 year terms. For the year ended June 30, 2023, the value of the lease receivable is \$933,237. The total amount of inflows of resources, including lease revenue, interest revenue and other lease related inflows recognized during the fiscal year was \$383,322.

The following is a summary of future expected payments for leases for the years-end June 30:

2024	\$ 292,792
2025	281,915
2026	197,719
2027	116,915
2028	<u>43,896</u>
	<u>\$ 933,237</u>

NOTE 8 – SHORT-TERM DEBT OBLIGATIONS

Transactions in short-term debt for the year are summarized below:

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
RAN	6/16/2023	2.22%	\$ 5,500,000	\$ -	\$ 5,500,000	\$ -
RAN	6/14/2024	4.32%	<u>-</u>	<u>5,500,000</u>	<u>-</u>	<u>5,500,000</u>
			<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 – SHORT-TERM DEBT OBLIGATIONS - Continued

Interest on short-term debt for the year was composed of:

Interest Paid	\$ 122,100
Less: Interest Accrued in the Prior Year	-
Plus: Interest Accrued in the Current Year	-
	<hr/>
Total Interest on Short-Term Debt	<u>\$ 122,100</u>

The RAN was issued in anticipation of the collection of Federal and State aid receivables.

NOTE 9 – LONG-TERM DEBT OBLIGATIONS

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The BOCES borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Lease Liabilities

The BOCES enters into agreements to lease information technology equipment and buildings. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 – LONG-TERM DEBT OBLIGATIONS - Continued

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

Governmental Activities	Beginning Balances	Additions	Reductions	Ending Balances	Amount Due Within One Year
Bonds and Notes Payable					
General Obligation Debt					
NYS Dormitory Authority					
Bonds	\$ 43,590,000	\$ -	\$ 1,980,000	\$ 41,610,000	\$ 2,050,000
Premium on Bonds	5,882,918	-	302,958	5,579,960	302,958
Installment Purchase Debt	1,436,617	-	82,000	1,354,617	83,000
Total Bonds & Notes Payable	50,909,535	-	2,364,958	48,544,577	2,435,958
Other Liabilities					
Compensated Absences Payable					
	1,474,943	-	37,738	1,437,205	-
Other Postemployment Benefits Liability					
	294,150,141	-	54,325,715	239,824,426	-
Net Pension Liability - Proportionate Share					
	-	7,913,374	-	7,913,374	-
Lease Liability, As Restated					
	1,400,329	956,218	660,447	1,696,100	565,960
Total Other Liabilities	297,025,413	8,869,592	55,023,900	250,871,105	565,960
Total Governmental Activities	\$ 347,934,948	\$ 8,869,592	\$ 57,388,858	\$ 299,415,682	\$ 3,001,918

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and other postemployment benefits.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 – LONG-TERM DEBT OBLIGATIONS - Continued

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Stated Interest Rate (%)	Balance
NYS Dormitory Authority Bonds - 2015	06/10/15	08/15/26	2-5%	\$ 2,380,000
NYS Dormitory Authority Bonds - 2021 Refunding	05/05/21	08/15/30	2-4%	2,770,000
NYS Dormitory Authority Bonds - Series 2020A	07/17/20	08/15/42	4-5%	17,450,000
NYS Dormitory Authority Bonds - Series 2020B	12/02/20	08/15/50	4-5%	<u>19,010,000</u>
				<u>\$ 41,610,000</u>

The following is a summary of debt service requirements for serial bonds for the year-end June 30:

	Principal	Interest	Total
2024	\$ 2,050,000	\$ 1,714,625	\$ 3,764,625
2025	2,140,000	1,633,913	3,773,913
2026	2,225,000	1,548,450	3,773,450
2027	1,475,000	1,457,300	2,932,300
2028	1,635,000	1,387,500	3,022,500
2029-2033	7,945,000	5,794,000	13,739,000
2034-2038	8,645,000	4,163,800	12,808,800
2039-2043	8,410,000	2,318,200	10,728,200
2044-2048	4,860,000	1,043,600	5,903,600
2049-2051	<u>2,225,000</u>	<u>134,400</u>	<u>2,359,400</u>
Total	<u>\$ 41,610,000</u>	<u>\$ 21,195,788</u>	<u>\$ 62,805,788</u>

Existing lease obligations:

Description	Issue Date	Final Maturity	Stated Interest Rate (%)	Balance
Equipment	2018-2023	2023-2027	2.082 - 2.495%	\$ 663,461
Buildings	2014-2021	2022-2024	2.22 - 2.596%	104,783
Copiers	2018-2023	2023-2026	1.910 - 3.187%	<u>927,856</u>
				<u>\$ 1,696,100</u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 – LONG-TERM DEBT OBLIGATIONS - Continued

The following is a summary of debt service requirements for lease liabilities at year-end June 30:

	Principal	Interest	Total
2024	\$ 565,960	\$ 35,118	\$ 601,078
2025	466,066	22,183	488,249
2026	341,333	11,858	353,191
2027	229,938	4,836	234,774
2028	92,803	666	93,469
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,696,100</u>	<u>\$ 74,661</u>	<u>\$ 1,770,761</u>

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 1,821,730
Plus: Interest Prepaid in the Prior Year	233,035
Less: Interest Prepaid in the Current Year	(218,159)
Less: Amortization of Bond Premium	<u>(302,958)</u>
Total Interest on Long-Term Debt	<u>\$ 1,533,648</u>

Advanced Refunding and Defeased Bond

In prior years, the BOCES defeased certain general obligations and other bonds by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the BOCES' financial statements. Bonds outstanding in the amount of \$3,135,000 are considered defeased.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 – INSTALLMENT PURCHASE DEBT OBLIGATION

On January 27, 2022, the BOCES entered into an Energy Performance Contract Municipal Lease/Purchase Agreement with Signature Public Funding Corp. The project includes energy efficient improvements to the heating system and BOCES-wide lighting improvements. The estimated value of the capital improvements at completion of the project and at the inception of the lease is \$1,436,617. The project was completed as of June 30, 2022 and resulted in \$1,432,236 of construction costs being capitalized in 2022 as assets placed in service. Balance of the long-term liability at June 30, 2023 is \$1,354,617. The installment purchase debt obligation is amortized at an implicit interest rate of 2.18%.

The future minimum obligations for the installment purchase debt at June 30, 2023 is as follows:

	Principal	Interest	Total
2024	\$ 83,000	\$ 29,531	\$ 112,531
2025	85,000	27,721	112,721
2026	87,000	25,868	112,868
2027	89,000	23,972	112,972
2028	91,000	22,031	113,031
2029-2033	487,000	79,507	566,507
2034-2038	432,617	23,881	456,498
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,354,617</u>	<u>\$ 232,511</u>	<u>\$ 1,587,128</u>

NOTE 11 – PENSION PLANS

General Information

The BOCES participates in the New York State Teachers' Retirement System (NYSTRS) and the New York State Employees' Retirement System (NYSERS). These are cost-sharing multiple employer public employee defined benefit retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

Teachers' Retirement System (TRS) Plan Description

The BOCES participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits, to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. 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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial report which can be found on the System's website at www.nystrs.org.

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 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. 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 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

TRS Benefits Provided

Benefits

The benefits provided to members of the System are established by 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 are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

TRS Benefits Provided - Continued

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tier 1-6 are now vested after 5 years of credited service. Prior to April 9, 2022, Tier 5 and 6 members were to attain 10 years of state service credit to be vested. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

TRS Benefits Provided - Continued

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2022 and 2021 is 3.0% and 1.4%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

ERS Benefits Provided

Benefits

The System provides retirement benefits as well as death and disability benefits.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

ERS Benefits Provided - Continued

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tier 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

ERS Benefits Provided - Continued

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous four years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

ERS Benefits Provided - Continued

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regard less of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers’ Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions for the ERS’ fiscal year ended March 31. The BOCES paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. (The BOCES chose to prepay the required contributions by December 15, 2022 and received an overall discount of \$6,745.)

The BOCES’ share of the required contributions, based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2022-2023	\$ 1,674,908	\$ 937,979
2021-2022	1,678,096	1,412,650
2020-2021	1,748,103	1,250,225

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

Funding Policies - Continued

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System’s fiscal years ended March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the BOCES exercised.

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

At June 30, 2023, the BOCES’ reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The BOCES’ proportion of the net pension asset (liability) was based on a projection of the BOCES’ long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the BOCES.

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
BOCES' Proportionate Share of the Net Pension		
Asset (Liability)	\$ (6,062,114)	\$ (1,851,260)
BOCES' Portion (%) of the Plan's Total		
Net Pension Asset (Liability)	0.0282695%	0.096475%
Change in Proportion (%) Since the Prior Measurement Date	-0.0041029%	-0.007268%

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

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

For the year ended June 30, 2023, the BOCES’ recognized pension expense of \$1,083,388 for ERS and \$778,268 for TRS. At June 30, 2023, the BOCES’ reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 645,663	\$ 1,939,886	\$ 170,247	\$ 37,096
Changes of Assumptions	2,944,154	3,591,131	32,538	745,740
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,392,003	35,615	-
Changes in Proportion and Differences Between the BOCES' Contributions and Proportionate Share of Contributions	58,699	848,876	256,201	35,866
BOCES' Contributions Subsequent to the Measurement Date	294,252	1,759,368	-	-
Total	<u>\$ 3,942,768</u>	<u>\$ 10,531,264</u>	<u>\$ 494,601</u>	<u>\$ 818,702</u>

BOCES’ contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset (liability) in the year ended June 30, 2024, if applicable. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended as follows:

	ERS	TRS
2024	\$ 724,917	\$ 1,562,827
2025	(377,639)	893,692
2026	1,200,243	(133,832)
2027	1,606,394	4,837,746
2028	-	723,709
Thereafter	-	69,052

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

Actuarial Assumptions

The total pension asset (liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset (liability) to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

Actuarial Assumptions - Continued

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Asset Type		
Domestic Equity	4.30%	6.50%
International Equity	6.85%	7.20%
Private Equity	7.50%	9.90%
Global Equity		6.90%
Real Estate	4.60%	6.20%
Opportunistic / Absolute Return Strategies Portfolio	5.38%	
Credit	5.43%	
Real Assets	5.84%	
Fixed Income	1.50%	
Cash		-0.30%
Private Debt		5.30%
Real Estate Debt		2.40%
Domestic Fixed Income Securities		1.10%
Global Bonds		0.60%
High-Yield Bonds		3.30%

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

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% for ERS and 6.95% for TRS, as well as what the BOCES' proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ (14,649,530)	\$ (6,062,114)	\$ 1,113,671

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ (17,069,485)	\$ (1,851,260)	\$ 10,947,167

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)		
	ERS	TRS	Total
Measurement Date	March 31, 2023	June 30, 2022	
Employer's Total Pension Asset (Liability)	\$ (232,627,259)	\$ (133,883,474)	\$ (366,510,733)
Plan Net Position	<u>211,183,223</u>	<u>131,964,582</u>	<u>343,147,805</u>
Employer's Net Pension Asset (Liability)	<u>\$ (21,444,036)</u>	<u>\$ (1,918,892)</u>	<u>\$ (23,362,928)</u>
Ratio of Plan Net Position to the Employer's Total Pension Asset (Liability)	90.78%	98.57%	

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – PENSION PLANS - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$294,252. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$2,041,596.

NOTE 12 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund balances at June 30, 2023 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 1,327,751	\$ 847,864	\$ 18,000	\$ 950,000
Special Aid	-	1,327,751	-	-
Capital Projects	844,811	-	950,000	18,000
Total Governmental Funds	<u>2,172,562</u>	<u>2,175,615</u>	<u>968,000</u>	<u>968,000</u>
Custodial Fund	<u>3,053</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 2,175,615</u></u>	<u><u>\$ 2,175,615</u></u>	<u><u>\$ 968,000</u></u>	<u><u>\$ 968,000</u></u>

The BOCES typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. The General Fund advanced funds to the Special Aid Fund to provide temporary cash until New York State has reimbursed the grant programs.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 13 – FUND BALANCE EQUITY

The following is a summary of the Governmental Funds fund balances of the BOCES at June 30, 2023:

Fund Balances	General	Special Aid	Capital Projects	Total Governmental Funds
Nonspendable	\$ 14,271	\$ -	\$ -	\$ 14,271
Restricted				
Employee Benefit Accrued Liability	700,083	-	-	700,083
Retirement Contributions	682,317	-	-	682,317
Unemployment Insurance	786,395	-	-	786,395
Advanced Technical Equipment	-	-	205,583	205,583
Debt Reserve - DASNY	-	-	44,101	44,101
BOCES-wide Capital Projects	-	-	2,300,865	2,300,865
Assigned				
Special Aid	-	17,399	-	17,399
Total Governmental Fund Balances	<u>\$2,183,066</u>	<u>\$ 17,399</u>	<u>\$ 2,550,549</u>	<u>\$ 4,751,014</u>

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The BOCES’ defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the BOCES. The plan is a single-employer defined benefit OPEB plan administered by the BOCES. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the BOCES Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

General Information about the OPEB Plan - Continued

Employees Covered by Benefit Terms – At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	462
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	465
Total Covered Employees	927

The BOCES provides two self-insured traditional indemnity plans to eligible retirees and dependents through the St. Lawrence-Lewis Health Insurance Consortium (the Plan). The Plan allows eligible BOCES’ employees and spouses to continue health coverage upon retirement. Separate financial statements are issued for the Plan.

All active employees and retirees are subject to the following eligibility and contribution requirements:

Administration

- Eligibility for postretirement benefits for NYS TRS and NYS ERS employees requires a minimum age of 55 with at least 10 years of service with the BOCES or one of its component districts to be eligible for the BOCES post-employment health plan.
- Plan: Rider 11
- All retirees who retire prior to 7/1/2017 are required to contribute 0% of the individual premium. All retirees who retire between 7/1/2017 and 6/30/24 are required to contribute 10% of the individual plan premium amount. All retirees who retire on or after 7/1/2024 are required to contribute 11% of the individual plan premium amount.
- All spouses are required to contribute 75% of the difference between the individual and family premiums.
- Surviving spouses may only continue coverage through COBRA for 18 months.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

General Information about the OPEB Plan - Continued

Non-Unit

- Eligibility for postretirement benefits for NYS TRS and NYS ERS employees must be a least age 55 with at least 10 years of service with the BOCES or one of its component districts to be eligible for the BOCES post-employment health plan.
- Plan: Rider 11
- All retirees who retire prior to 7/1/2017 are required to contribute 0% of the individual premium. All retirees who retire between 7/1/2017 and 6/30/24 are required to contribute 5% of the individual plan premium amount. All retirees who retire on or after 7/1/2024 are required to contribute 6% of the individual plan premium amount.
- All spouses are required to contribute 75% of the difference between the individual and family premiums.
- Surviving spouses may only continue coverage through COBRA for 18 months.

Federation

- NYS TRS members retiring on or after 7/1/2022 must have at least 10 years of continuous service with the BOCES. All other members retiring prior to 7/1/2022 must be at least age 55 with at least 5 years of service with the BOCES to be eligible for the BOCES postemployment health plan.
- Plan: Rider 10
- All retirees are required to contribute 0% of the individual premium.
- All spouses are required to contribute 75% of the difference between the individual and family premiums.
- Surviving spouses may only continue coverage through COBRA for 18 months.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

General Information about the OPEB Plan - Continued

Support Staff

- NYS ERS employees hired prior to 7/1/2017 must be at least age 55 with at least 10 years of service with the BOCES to be eligible for the BOCES postemployment health plan. Members hired on or after 7/1/2017 must be at least age 55 with at least 15 years of service with the BOCES to be eligible for the BOCES post-employment health plan.
- Plan: Rider 10
- All retirees who retire prior to 7/1/2017 are required to contribute 0% of the individual premium. All retirees who retire between 7/1/2017 and 6/30/2021 are required to contribute 5% of the individual plan premium amount. All retirees who retire on or after 7/1/2021 are required to contribute 10% of the individual plan premium amount.
- All spouses are required to contribute 75% of the difference between the individual and family premiums.
- Surviving spouses may only continue coverage through COBRA for 18 months.

Teachers

- NYS TRS employees must be at least age 55 with at least 10 years of service with the BOCES to be eligible for the BOCES postemployment health plan.
- Plan: Rider 10
- All retirees are required to contribute 0% of the individual premium.
- All spouses are required to contribute 75% of the difference between the individual and family premiums.
- Surviving spouses may only continue coverage through COBRA for 18 months.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

General Information about the OPEB Plan - Continued

The BOCES reimburses the full Medicare Part B amount for all retirees and dependents eligible for postemployment health insurance benefits. Surviving spouses do not receive reimbursements.

The BOCES recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2023, the BOCES recognized \$6,487,591 for its share of insurance premiums for currently retired employees.

Total OPEB Liability

The BOCES has obtained an actuarial valuation report as of June 30, 2023 which indicates that the total liability for other postemployment benefits is \$239,824,426 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions

Measurement Date	07/01/22
Rate of Compensation Increase	3.00%
Discount Rate	3.54%

Assumed Medical Trend Rates at June 30

Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.00%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	3.94%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2093

Additional Information

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (in Years)	5.86
Method used to determine Actuarial Value of Assets	N/A

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

Total OPEB Liability - Continued

The discount rate was based on the Bond Buyer Weekly 20-Bond Go Index as of July 1, 2022.

Mortality rates were based on the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 – June 30, 2022.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 294,150,141
Changes for the Year	
Service Cost	11,366,260
Interest	6,466,557
Differences between Expected and Actual Experience	(37,392,192)
Changes of Assumptions or Other Inputs	(28,084,664)
Benefit Payments	<u>(6,681,676)</u>
Net Changes	<u>(54,325,715)</u>
Balance at June 30, 2023	<u><u>\$ 239,824,426</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14 percent on July 1, 2021 to 3.54 percent on July 1, 2022.

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 (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	<u><u>\$ 283,766,656</u></u>	<u><u>\$ 239,824,426</u></u>	<u><u>\$ 205,061,387</u></u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

Changes in the Total OPEB Liability - Continued

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 (2.94 percent) or 1 percentage point higher (4.94 percent) than the current healthcare cost trend rate:

	1% Decrease Healthcare Cost Trend Rates (Trend Less 1% Decreasing to 2.94%)	Healthcare Cost Trend Rates (Trend at 3.94%)	1% Increase Healthcare Cost Trend Rates (Trend Plus 1% Increasing to 4.94%)
Total OPEB Liability	<u>\$ 202,202,408</u>	<u>\$ 239,824,426</u>	<u>\$ 288,752,402</u>

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

For the year ended June 30, 2023, the BOCES recognized OPEB expense of \$5,385,440 June 30, 2023, 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	\$ 6,620,730	\$ 31,011,272
Changes of Assumptions or Other Inputs	34,065,569	25,381,228
Benefit Payments Subsequent to the Measurement Date	<u>7,120,456</u>	<u>-</u>
	<u>\$ 47,806,755</u>	<u>\$ 56,392,500</u>

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS - Continued

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

BOCES benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024, if applicable. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2024	\$ (2,952,860)
2025	(1,274,469)
2026	(1,666,154)
2027	(1,651,949)
2028	(8,160,769)
2029 and Thereafter	<u>-</u>
	<u><u>\$ (15,706,201)</u></u>

NOTE 15 – RISK MANAGEMENT

General Information

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 15 – RISK MANAGEMENT - Continued

Consortiums and Self-Insured Plans

The BOCES participates in the St. Lawrence-Lewis Counties School District Healthcare Plan (Plan), a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 18 individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to \$1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$1,000,000 limit, and the BOCES has essentially transferred all related risk to the pool.

Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

The BOCES participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The BOCES' share of the liability for unbilled and open claims is \$-0-.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 16 – COMMITMENTS AND CONTINGENCIES

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

NOTE 17 – RESTATEMENT OF NET POSITION

A one-time prior-period adjustment must be made to Capital Assets, Net and lease liability on the Statement of Net Position to reflect correction in accordance with GASB 87, *Leases*.

The following details the change in the BOCES beginning of year Net Position:

Net Position - Beginning of Year, as Previously Stated	\$ (219,592,292)
Decrease due to Restatement of Lease Assets and Liabilities	<u>(32,383)</u>
Net Position - Beginning of Year, as Restated	<u><u>\$ (219,624,675)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE BOCES' TOTAL OPEB LIABILITY AND RELATED RATIOS**LAST SIX FISCAL YEARS**

Ended June 30, 2023

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service Cost	\$ 11,366,260	\$ 11,681,087	\$ 6,489,325	\$ 6,734,026	\$ 6,113,323	\$ 8,080,556
Interest	6,466,557	6,349,620	7,528,898	7,972,946	6,915,960	6,046,105
Changes of Benefit Terms	-	-	(5,034,789)	-	(164,648)	-
Difference between Expected and Actual Experience	(37,392,192)	-	10,275,126	-	2,892,449	-
Changes in Assumptions and Other Inputs	(28,084,664)	3,668,656	53,620,922	(172,047)	1,997,814	(28,400,816)
Benefit Payments	<u>(6,681,676)</u>	<u>(6,362,587)</u>	<u>(5,376,378)</u>	<u>(5,019,834)</u>	<u>(3,912,746)</u>	<u>(3,672,669)</u>
Net Change in Total OPEB Liability	(54,325,715)	15,336,776	67,503,104	9,515,091	13,842,152	(17,946,824)
Total OPEB Liability - Beginning	<u>294,150,141</u>	<u>278,813,365</u>	<u>211,310,261</u>	<u>201,795,170</u>	<u>187,953,018</u>	<u>205,899,842</u>
Total OPEB Liability - Ending	<u>\$ 239,824,426</u>	<u>\$ 294,150,141</u>	<u>\$ 278,813,365</u>	<u>\$ 211,310,261</u>	<u>\$ 201,795,170</u>	<u>\$ 187,953,018</u>
Covered Payroll	\$ 25,126,732	\$ 26,139,927	\$ 28,412,691	\$ 27,452,616	\$ 23,043,383	\$ 22,333,571
Total OPEB Liability as a Percentage of Covered Payroll	954.46%	1125.29%	981.30%	769.73%	875.72%	841.57%

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.

See paragraph on supplementary schedules included in independent auditor's report.

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**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET (NON-GAAP) BASIS AND ACTUAL – GENERAL FUND**
Year Ended June 30, 2023

	Original Budget	Final Budget
REVENUES		
Administration: 001	\$ 13,344,056	\$ 13,325,646
Occupational Instruction: 100-199	11,615,593	12,073,985
Instruction for Special Education: 200-299	24,295,826	22,964,818
Itinerant Services: 300-399	3,001,170	2,911,836
General Instruction: 400-499	1,528,792	1,714,992
Instructional Support: 500-599	9,216,561	12,413,386
Other Services: 600-699	8,619,815	9,501,677
Total Revenues	71,621,813	74,906,340
EXPENDITURES		
Administration: 001	13,344,056	12,393,646
Occupational Instruction: 100-199	11,615,593	12,073,985
Instruction for Special Education: 200-299	24,295,825	22,964,818
Itinerant Services: 300-399	3,001,170	2,911,836
General Instruction: 400-499	1,528,794	1,714,992
Instructional Support: 500-599	9,216,561	12,413,386
Other Services: 600-699	8,619,814	9,501,677
Total Expenditures	71,621,813	73,974,340
OTHER FINANCING SOURCES (USES)		
Transfers to Other Funds	-	(950,000)
Transfers from Other Funds	-	18,000
Total Expenditures and Other Financing Sources (Uses)	71,621,813	74,906,340
OTHER CHANGES IN FUND BALANCE		
Refund of Surplus Unpaid	-	-
Employee Benefit Accrued Liability	-	-
Reserve for Unemployment Insurance	-	-
Plus - Encumbrances, Ending	-	-
Less - Encumbrances, Beginning	-	-
Total Other Changes in Fund Balance	-	-
Net Change in Fund Balance	-	-
Fund Balance - Beginning of Year	2,017,999	2,017,999
Fund Balance - End of Year	\$ 2,017,999	\$ 2,017,999

ST. LAWRENCE-LEWIS COUNTIES BOCES

Actual	Final Budget Variance with Actual
\$	
13,325,646	-
12,073,985	-
22,964,818	-
2,911,836	-
1,714,992	-
12,413,386	-
9,501,677	-
74,906,340	\$ -

	Year-End Encumbrances	Final Budget Variance with Actual and Encumbrances
11,817,158	\$ -	\$ 576,488
11,914,524	-	159,461
18,586,751	-	4,378,067
2,330,181	-	581,655
1,486,302	-	228,690
11,790,721	-	622,665
8,914,522	-	587,155
66,840,159	\$ -	\$ 7,134,181

(950,000)
18,000

67,772,159

(7,134,181)
187,028
(21,961)
-
-

 (6,969,114)
165,067

 2,017,999

 \$ 2,183,066

Note to Required Supplementary Information Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN
LAST NINE FISCAL YEARS**

Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)									
BOCES' Proportion of the Net Pension Asset (Liability)	0.096475%	0.103743%	0.116244%	0.115271%	0.119098%	0.119893%	0.121264%	0.120681%	0.120734%
BOCES' Proportionate Share of the Net Pension Asset (Liability)	\$ (1,851,260)	\$ 17,977,716	\$ (3,212,135)	\$ 2,994,748	\$ 2,153,611	\$ 911,303	\$ (1,298,787)	\$ 12,534,884	\$ 13,449,053
BOCES' Covered Payroll	\$ 17,200,305	\$ 17,626,373	\$ 19,751,351	\$ 19,346,224	\$ 19,403,963	\$ 18,993,009	\$ 18,731,976	\$ 18,127,290	\$ 17,849,204
BOCES' Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	<u>10.76%</u>	<u>101.99%</u>	<u>16.26%</u>	<u>15.48%</u>	<u>11.10%</u>	<u>4.80%</u>	<u>6.93%</u>	<u>69.15%</u>	<u>75.35%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Employees' Retirement System (ERS)									
BOCES' Proportion of the Net Pension Asset (Liability)	0.0282695%	0.0323724%	0.0315254%	0.0320241%	0.0322304%	0.0297029%	0.0291552%	0.0285994%	0.0283649%
BOCES' Proportionate Share of the Net Pension Asset (Liability)	\$ (6,062,114)	\$ 2,646,311	\$ (31,391)	\$ (8,480,162)	\$ (2,283,625)	\$ (958,646)	\$ (2,739,484)	\$ (4,590,291)	\$ (958,236)
BOCES' Covered Payroll	\$ 8,379,530	\$ 9,089,784	\$ 8,837,209	\$ 8,500,249	\$ 8,087,520	\$ 7,782,136	\$ 7,477,025	\$ 7,039,536	\$ 7,410,545
BOCES' Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	<u>72.34%</u>	<u>29.11%</u>	<u>0.36%</u>	<u>99.76%</u>	<u>28.24%</u>	<u>12.32%</u>	<u>36.64%</u>	<u>65.21%</u>	<u>12.93%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

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See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF THE BOCES' CONTRIBUTIONS – NYSLRS PENSION PLAN

LAST NINE FISCAL YEARS

Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)									
Contractually Required Contribution	\$ 1,674,908	\$ 1,678,096	\$ 1,748,103	\$ 2,043,352	\$ 1,901,178	\$ 2,226,686	\$ 2,481,242	\$ 3,177,819	\$ 2,898,081
Contributions in Relation to the Contractually Required Contribution	1,674,908	1,678,096	1,748,103	2,043,352	1,901,178	2,226,686	2,481,242	3,177,819	2,898,081
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOCES' Covered Payroll	\$ 17,200,305	\$ 17,626,373	\$ 19,751,351	\$ 19,346,224	\$ 19,403,963	\$ 18,993,009	\$ 18,731,976	\$ 18,127,290	\$ 17,849,204
Contributions as a Percentage of Covered Payroll	9.74%	9.52%	8.85%	10.56%	9.80%	11.72%	13.25%	17.53%	16.24%
Employees' Retirement System (ERS)									
Contractually Required Contribution	\$ 937,979	\$ 1,412,650	\$ 1,250,225	\$ 1,200,403	\$ 1,155,106	\$ 1,152,097	\$ 1,116,579	\$ 1,189,665	\$ 1,363,901
Contributions in Relation to the Contractually Required Contribution	937,979	1,412,650	1,250,225	1,200,403	1,155,106	1,152,097	1,116,579	1,189,665	1,363,901
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOCES' Covered Payroll	\$ 8,379,530	\$ 9,089,784	\$ 8,837,209	\$ 8,500,249	\$ 8,087,520	\$ 7,782,136	\$ 7,477,025	\$ 7,039,536	\$ 7,410,545
Contributions as a Percentage of Covered Payroll	11.19%	15.54%	14.15%	14.12%	14.28%	14.80%	14.93%	16.90%	18.40%

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See paragraph on supplementary schedules included in independent auditor's report.

ST. LAWRENCE-LEWIS COUNTIES BOCES

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND

Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 71,621,813
Add: Prior Year's Encumbrances	<u> -</u>
Original Budget	71,621,813
Budget Revision	<u> 3,302,527</u>
Final Budget	<u><u>\$ 74,924,340</u></u>

The Original Budget was Revised for the Following Programs:

Budget Increases (Decreases)	
Administration	\$ (18,410)
Occupational Instruction	458,392
Instruction for Special Education	(1,331,007)
Itinerant Services	(89,334)
General Instruction	186,198
Instructional Support	3,196,825
Other Services	881,863
Transfers from Other Funds	<u> 18,000</u>
Total Budget Increase	<u><u>\$ 3,302,527</u></u>

See paragraph on supplementary schedules included in independent auditor's report.

ST. LAWRENCE-LEWIS COUNTIES BOCES

ANALYSIS OF ACCOUNT A431 SCHOOL DISTRICTS

Year Ended June 30, 2023

JULY 1 - CREDIT BALANCE	\$ (5,561,734)
Debits:	
Billings to School Districts	73,540,985
Refund of Balances Due School Districts	5,561,734
Encumbrances - End of Year	<u>-</u>
TOTAL DEBITS	<u>79,102,719</u>
Credits:	
Collection from School Districts	73,540,985
Adjustment - Credits to School Districts: Revenues in Excess of Expenditures	7,134,181
Encumbrance - Beginning of Year	<u>-</u>
TOTAL CREDITS	<u>80,675,166</u>
JUNE 30 - CREDIT BALANCE	<u><u>\$ (7,134,181)</u></u>

See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2023

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance (Deficit) 6/30/2023
			Prior Year	Current Year	Total		Proceeds of Obligations	Local Sources	Total	
Future Project - CTE Renovation SATC #0012-011	\$ 17,865,446	\$17,865,446	\$17,961,313	\$ 65,418	\$18,026,731	\$ (161,285)	\$ 17,913,993	\$ 205,350	\$ 18,119,343	\$ 92,612
CTE Renovation NWT #0014-008	16,578,511	16,578,511	16,516,237	119,430	16,635,667	(57,156)	16,326,291	187,150	16,513,441	(122,226)
CTE Renovation SWT #0013-011	9,056,043	9,056,043	9,128,539	41,643	9,170,182	(114,139)	9,377,912	107,500	9,485,412	315,230
Energy Performance Contract	1,401,267	1,436,617	1,432,237	-	1,432,237	4,380	1,436,617	-	1,436,617	4,380
Paving 2022-2023	805,000	932,335	-	932,335	932,335	-	-	932,335	932,335	-
Future Project - CTE Storage	-	-	-	-	-	-	-	2,010,869	2,010,869	2,010,869
Totals	\$ 45,706,267	\$45,868,952	\$45,038,326	\$ 1,158,826	\$46,197,152	\$ (328,200)	\$ 45,054,813	\$ 3,443,204	\$48,498,017	\$ 2,300,865

See paragraph on supplementary schedules included in independent auditor's report.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NET INVESTMENT IN CAPITAL ASSETS

Year Ended June 30, 2023

Capital Assets, Net		\$ 62,332,775
Premium on Bonds Payable	\$ 5,579,960	
Short-Term Portion of Bonds Payable	2,050,000	
Long-Term Portion of Bonds Payable	39,560,000	
Short-Term Portion of Installment Debt	83,000	
Long-Term Portion of Installment Debt	1,271,617	
Short-Term Portion of Lease Liability	565,960	
Long-Term Portion of Lease Liability	<u>1,130,140</u>	<u>50,240,677</u>
Net Investment in Capital Assets		<u><u>\$ 12,092,098</u></u>

See paragraph on supplementary schedules included in independent auditor's report.

FEDERAL AWARD PROGRAM INFORMATION

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
ST. LAWRENCE LEWIS COUNTIES BOCES**

We have audited, in accordance with the auditing standards of generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the St. Lawrence-Lewis Counties BOCES as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the St. Lawrence-Lewis Counties BOCES’s basic financial statements and have issued our report thereon dated October 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Lawrence-Lewis Counties 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 St. Lawrence-Lewis Counties BOCES’s internal control. Accordingly, we do not express an opinion on the effectiveness of St. Lawrence-Lewis Counties 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 reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

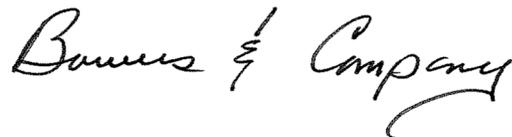
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Lawrence-Lewis Counties 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 determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bowers & Company". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Company".

Watertown, New York
October 12, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**BOARD OF EDUCATION
ST. LAWRENCE LEWIS COUNTIES BOCES**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Lawrence Lewis Counties BOCES’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of St. Lawrence Lewis Counties BOCES’s major federal programs for the year ended June 30, 2023. St. Lawrence Lewis Counties BOCES’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, St. Lawrence Lewis Counties BOCES, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Bouvier & Company". The signature is written in dark ink and is positioned above the typed name and date.

Watertown, New York
October 12, 2023

ST. LAWRENCE-LEWIS COUNTIES BOCES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
<i>Passed-Through NYS Education Department:</i>			
Adult Education - Basic Grants to States:			
WIA, Title II, Adult Education & Literacy	84.002A	2338-23-3170	\$ 124,458
WIA, Title II, Incarcerated	84.002A	0138-23-2045	<u>124,528</u>
Total Adult Education - Basic Grants to States			<u>248,986</u>
Education for Homeless Children and Youth:			
Homeless Children	84.196A	0212-23-3120	74,622
Homeless Children	84.196A	0212-23-3121	77,820
Homeless Children	84.196A	0212-23-3122	<u>71,343</u>
Total Education for Homeless Children and Youth			<u>223,785</u>
Career and Technical Education - Basic Grants to States (Perkins V)	84.048A	8000-23-0015	<u>164,172</u>
Education Stabilization Fund:			
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5212-21-3089	9,606
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5212-21-3088	8,798
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5212-21-3087	4,955
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5212-21-3086	9,058
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5212-21-3085	9,222
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children II	84.425W	5218-21-8228	<u>107,366</u>
Total Education Stabilization Fund			<u>149,005</u>
Total Passed-through NYS Education Department			<u>785,948</u>
Total U.S. Department of Education			<u>785,948</u>
Total Federal Assistance			<u>\$ 785,948</u>

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of federal award programs administered by BOCES, which is described in Note 1 to the BOCES’s accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the BOCES’s financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the BOCES’s financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The BOCES did not elect to use the 10% de minimis cost rate.

Matching costs (the BOCES’s share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

ST. LAWRENCE-LEWIS COUNTIES BOCES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

NOTE 4 – SCOPE OF AUDIT

The BOCES is an independent municipal corporation. All federal grant operations of the BOCES are included in the scope of the single audit.

NOTE 5 – OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the BOCES's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

NOTE A – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of St. Lawrence Lewis Counties BOCES.
2. No significant deficiencies were disclosed during the audit of the basic financial statements of St. Lawrence Lewis Counties BOCES.
3. No instances of noncompliance material to the financial statements of St. Lawrence Lewis Counties BOCES, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs of St. Lawrence Lewis Counties BOCES.
5. The auditor’s report on compliance for the major federal award programs for St. Lawrence Lewis Counties BOCES expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) related to the major federal award programs for St. Lawrence Lewis Counties BOCES.
7. The programs tested as a major program includes:

U.S Department of Education

Passed Through New York State Education Department:

Adult Education - Basic Grants to States:

WIA, Title II, Adult Education & Literacy	84.002A
WIA, Title II, Incarcerated	84.002A

8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. St. Lawrence Lewis Counties BOCES was determined to be a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

NOTE B – FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings to report.

**NOTE C – FINDINGS AND QUESTIONED COSTS – MAJOR
FEDERAL AWARD PROGRAMS AUDIT**

There were no findings to report.

October 12, 2023

To the President and Members
of the Board of Education of the
St. Lawrence Lewis Counties BOCES

We have audited the financial statements of the governmental activities, and each major fund of St. Lawrence Lewis Counties BOCES for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by St. Lawrence Lewis Counties BOCES are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by St. Lawrence Lewis Counties BOCES during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statement were:

Management's estimate of the depreciation is based on economic useful lives of capital asset classes.

Management estimates actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68.

Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

Management's estimate of present value of right to use leased assets, and lease liability is based on the discount rate or implicit interest rate within the agreements in accordance with GASB Statement No. 87, *Leases*.

We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to St. Lawrence Lewis Counties BOCES' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

President and Members
of the Board of Education of the
St. Lawrence-Lewis Counties BOCES
October 12, 2023
Page 3

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as St. Lawrence Lewis Counties BOCES' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to *Management's Discussion and Analysis, Schedule of Changes in the BOCES' Total OPEB Liability and Related Ratios, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund, Schedule of BOCES' Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan*, and the *Schedule of the BOCES' Contributions – NYSLRS Pension Plan*, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on *Schedule of Change from Adopted Budget to Final Budget – General Fund, Analysis of Account A431 School Districts, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, and Net Investment in Capital Assets*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Education and management of St. Lawrence Lewis Counties BOCES and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowers & Company

Material Misstatements Corrected by Management

Governmental Funds

Special Aid Fund:

Adjusting Journal Entries JE # 1			
To roll Fund Balance			
F00917-00	Unassigned Fund Balance	111,453.00	
F0904.140-2770-000	Unclassified Revenues		111,453.00
Total		<u>111,453.00</u>	<u>111,453.00</u>

Capital Projects Fund:

Adjusting Journal Entries JE # 4			
To remove expenses recorded as retainage in PY			
00915-00	Assigned Unappropr Fund Bal	533,423.00	
750-1000-293-002-23	SATC ROOFING		44,450.00
750-1000-294-000-23	SATC HEATING/VENTILATION		104,303.00
750-2000-294-000-23	NWT HEATING/VENTILATION		147,592.00
750-2000-296-000-23	NWT ELECTRICAL		97,670.00
750-3000-294-000-23	SWT MECHANICAL		86,266.00
750-3000-295-000-23	SWT PLUMBING		24,076.00
750-3000-296-000-23	SWT ELECTRICAL		29,066.00
Total		<u>533,423.00</u>	<u>533,423.00</u>

Adjusting Journal Entries JE # 6			
to remove DASNY expense			
750.452-2770-000-23	Financing from other Local Source	478,313.00	
750.450-2401-000-20	Interest and Earnings		28,601.00
750.452-2401-000-23	Interest and Earnings		449,712.00
Total		<u>478,313.00</u>	<u>478,313.00</u>

Adjusting Journal Entries JE # 7			
to record DASNY credits as interfund expense			
751	Interfund Transfers Out	18,000.00	
750-9000-241-000-23	DASNY Entries		18,000.00
Total		<u>18,000.00</u>	<u>18,000.00</u>

Material Misstatements Corrected by Management - Continued

Capital Projects Fund - Continued:

Adjusting Journal Entries JE # 8		
to record lease revenue/expense		
2110.200 Equipment	956,218.00	
5788 Leases		956,218.00
Total	956,218.00	956,218.00

Fiduciary Fund

Custodial Fund

Adjusting Journal Entries JE # 1		
close liabilities to net position		
TA689-FL FLEX	133,787.00	
TA689-HC Healthcare	34,076,402.00	
TA689-WC Workers Compensation	5,412,877.00	
TC923 Restricted Net Position		39,623,066.00
Total	39,623,066.00	39,623,066.00

Adjusting Journal Entries JE # 2		
to record revenue and expenses		
TC1935.0 Claims Paid	76,012,404.00	
TC1935.1 Other Related Deductions	5,523,106.00	
TC923 Restricted Net Position	5,147,737.00	
TC2770.0 Premiums from Districts		79,028,890.00
TC2770.1 Other Related Additions		7,654,357.00
Total	86,683,247.00	86,683,247.00