

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

REVENUE ANTICIPATION NOTES

In the opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, assuming continuing compliance by the BOCES with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not an "item of tax preference" for purposes of the alternative minimum taxes imposed by the Code. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a discussion of certain Federal taxes applicable to corporate owners of the Notes.

The BOCES will designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$6,000,000



**BOARD OF COOPERATIVE EDUCATIONAL SERVICES
FOR THE SOLE SUPERVISORY DISTRICT OF
JEFFERSON, LEWIS, HAMILTON, HERKIMER AND ONEIDA COUNTIES,
NEW YORK**

**\$6,000,000 Revenue Anticipation Notes, 2022
(the "Notes")**

Dated: July 14, 2022

Due: June 29, 2023

The Notes are general obligations of the Board of Cooperative Educational Services for The Sole Supervisory District of Jefferson, Lewis, Hamilton, Herkimer and Oneida Counties, New York (the "BOCES"), and are secured by the contractual liabilities of the Component School Districts. The BOCES has no taxing power.

The Notes will not be subject to redemption prior to maturity. At the option of the successful bidder(s), the Notes will be issued registered in the name of the purchaser in the denominations of \$5,000 or multiples thereof. Principal and interest will be payable in Federal Funds at maturity at such bank or trust company located and authorized to do business in the State of New York, as may be determined by such successful bidder with paying agent fees, if any paid by the successful bidder, or as stated below.

Alternatively, at the option of the successful bidder(s), the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. In such case, Noteholders will not receive certificates representing their ownership interest in the Notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, of Syracuse, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about July 14, 2022.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 23, 2022 until 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the BOCES, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 14, 2022

THE BOCES DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE BOCES WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN ENUMERATED EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX D - MATERIAL EVENT NOTICES" HEREIN.

BOCES OFFICIALS



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BOND SCHOENECK
& KING
Bond Counsel
Syracuse, New York



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the Board of Cooperative Educational Services for The Sole Supervisory District, Jefferson, Lewis, Hamilton, Herkimer and Oneida Counties, New York to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board of Cooperative Educational Services for The Sole Supervisory District, Jefferson, Lewis, Hamilton, Herkimer and Oneida Counties, New York.

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OFFICIAL STATEMENT
of the
BOARD OF COOPERATIVE EDUCATIONAL SERVICES
FOR THE SOLE SUPERVISORY DISTRICT OF
JEFFERSON, LEWIS, HAMILTON, HERKIMER AND ONEIDA COUNTIES, NEW YORK
Relating To
\$6,000,000 Revenue Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Board of Cooperative Educational Services for The Sole Supervisory District of Jefferson, Lewis, Hamilton, Herkimer and Oneida Counties, New York (the "BOCES", "Counties", and "State", respectively) in connection with the sale by the BOCES of \$6,000,000 principal amount of Revenue Anticipation Notes, 2022 (the "Notes").

The factors affecting the BOCES's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the BOCES revenues and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the BOCES contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the BOCES relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated July 14, 2022 and will mature June 29, 2023. The Notes are not subject to redemption prior to maturity. The Notes are general obligations of the BOCES, and are secured by the contractual commitments of the Component School Districts of the BOCES. (See "Component School Districts"). The BOCES has no taxing power.

At the option of the purchaser(s), the Notes will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Notes. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000, or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes. Interest will be computed on the basis of 30 days to the month and 360 days to the year.

Principal and interest on the Notes are payable at maturity. Principal and interest will be paid by the BOCES to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes, as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the BOCES referred to therein.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State, including among others, the Education Law and the Local Finance Law, and a May 11, 2022 Revenue Anticipation Note Resolution authorizing the issuance of up to \$6,000,000 in Revenue Anticipation Notes in anticipation of revenues due from the Component School Districts of the BOCES during the BOCES' fiscal year commencing July 1, 2022 and ending June 30, 2023. An estimated cash flow forecast is included in this Official Statement as APPENDIX – C.

In the event the aforesaid revenues are not received by June 29, 2023, the Notes may be renewed. Revenue anticipation renewal notes may again be renewed in the event such revenues have not been received on the maturity date of such renewal notes. The final renewal of any such revenue anticipation renewal notes must mature not later than the end of the second fiscal year succeeding the fiscal year in which such notes were originally issued. In the event such revenues have not been received by such final maturity date, principal of and interest on such Notes will be paid from monies of the BOCES.

No Optional Redemption

The Notes will not be subject to redemption prior to maturity.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the BOCES on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the BOCES, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the BOCES, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the BOCES. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The BOCES may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the BOCES believes to be reliable, but the BOCES takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE BOCES CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE BOCES WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE BOCES MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the BOCES and discharging its responsibilities with respect thereto under applicable law, or the BOCES may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the BOCES. The Notes will remain not subject to redemption prior to their stated final maturity date as described under the heading "Optional Redemption" herein.

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BOARD OF COOPERATIVE EDUCATIONAL SERVICES

General Description of BOCES

The ability to create a Board of Cooperative Educational Services was first established in 1948 and is found in sections 1950 and 1951 of the State Education Law (collectively, the “Act”). Initially, the legislation was aimed at enabling small rural school districts to combine their resources to provide services that otherwise would have been uneconomical, inefficient or unavailable. Under the legislation, BOCES are formed regionally as a consortium of the public school districts within the region. At present there are 37 BOCES, serving 688 of the 697 school districts in the State. BOCES membership is not available to the five large city school districts in the State: New York City, Buffalo, Rochester, Yonkers and Syracuse.

A BOCES is formed under the State Education Law by the school districts of a supervisory district for the purpose of providing various educational services for such school districts on a cooperative or shared basis, which services may either be too expensive or duplicative for each school district to provide for itself. A BOCES is usually established by an order of the Commissioner of Education (the “Commissioner”) after a petition has been made to him requesting the establishment of a BOCES by the respective Boards of Education of the various school districts to be included in the proposed BOCES. The decision to establish a BOCES is not subject to voter approval.

The number of school districts comprising an individual BOCES varies. In each case, the territory within which each BOCES operates encompasses the territory of its component school districts. A school district may decide to join an established BOCES by vote of its board of education without voter approval. Once it has joined, however, a school district may not withdraw and is thereafter obligated for its share of BOCES administrative and capital expenses.

Once formed by the Commissioner, a BOCES is governed by a Board, whose members are elected by the boards of education of the component school districts. A Board consists of five to fifteen members. Members of a BOCES Board are elected at its annual meeting and serve for terms of three years.

BOCES operate under the Education Law and the Rules and Regulations of the Commissioner of Education. The powers of a BOCES are set forth in the Education Law, which provides for their relationship with the local school districts and specifies their duties and responsibilities.

Each BOCES is authorized to provide such program services as the Commissioner may approve and must provide any educational service that is (a) requested by the component school districts and (b) approved by the Commissioner, who first determines that the proposed program service meets an educational need and can most effectively be provided on a regional, rather than local, level. Except for BOCES administrative and capital expenses, which are allocated to and are a responsibility of the component school districts to the extent provided by the Education Law, each school district is responsible for the costs of only those educational programs or services in which it decides to participate.

The legislation permits BOCES to provide a wide variety of programs and services, which include:

- General Education, including summer school.
- Career Education – Vocational training in agriculture, distributive education, health, home economics, business and office programs, technical education and trade, and industrial and service education.
- Special Education - Educational services for children with special needs.
- Management and Instructional Support Services – A wide variety of administrative, educational, and extracurricular activities.
- Education in the Arts.
- Environmental Education.

Source: BOCES officials.

General Information

BOCES was formed in 1948, and the Sole Supervisory Districts of Jefferson County and of Lewis County were merged together in 1973. Today, the BOCES is comprised of various component school districts in the Counties of Jefferson, Lewis, Hamilton, Herkimer and Oneida. The BOCES currently has 18 component school districts, of which 11 are located in Jefferson County, 4 in Lewis County and one each in Hamilton, Herkimer and Oneida Counties. The BOCES headquarters are located in Watertown, New York.

Source: BOCES officials.

Facilities

The BOCES presently occupies approximately 275,000 square feet in eight (8) buildings that it owns, and a number of leases for individual classrooms in local school buildings.

Three buildings, one located in Jefferson County and two in Lewis County, house the Career & Technical programs that service the 18 component school districts.

Two buildings, one located in each of the largest Counties of Jefferson and Lewis, house the Alternative Education programs that service the 18 component school districts. The larger of the two buildings was constructed in 2008 on the Watertown campus. The other, located in Lowville, NY, was previously under a lease-to-own agreement through June 2018. In March 2018, a public vote was held which authorized the BOCES to purchase the building at no cost at the conclusion of the last lease payment in June 2018. The public vote also authorized the BOCES to pursue a capital project not to exceed \$20,000,000 for facility renovations and updates to all owned buildings. The Capital Project bids were awarded in December, 2019 and work began in the two technical centers in April, 2020. Work and continued through the summer of 2021. Additional scope allowed work to be expanded to the Programs for Exceptional Students (PES) Administrative building, with an estimated completion date of Fall, 2022.

Two buildings on the Watertown campus house the Instructional and Administrative support staff that provides over 30 programs to all 18 component Districts. The final building houses the two buses that service the Watertown campus programs.

Operations

BOCES programs and services for school districts are divided into four (4) divisions comprised of the following departments:

Student Services

- Adult Education
- Alternative Education
- Career & Technical Education
- Special Education

Instructional Support Services

- Community School Resources
- Curriculum, Instruction & Assessment
- Dignity Act Training
- Grant Writing Services
- Home Instruction
- Hospital Based Instruction
- Itinerant Services
- Leveled Literacy Instruction
- Mid-State Regional Bilingual Education Resource Network
- Mid-State Regional Special Education Technical Assistance Support Center
- Planetarium
- Reading Recovery
- Regional Summer School
- School Improvement
- School Library System
- Science Center
- Special Education School Improvement Specialists

Youth Development

Management Services

- Affordable Care Act Tracking and Reporting
- Asset Management
- Bus Driver Training
- Central Business Office
- Cooperative Purchasing
- Cooperative Recruiting
- Employee Assistance Program
- Employee Benefits Coordination
- Health, Safety, & Risk Management
- Labor Relations
- Medicaid Billing Service
- School Food Service Management
- STAC Support Services
- Substitute Call-In Service

Administration & Capital

- Board of Education
- Business Office & Capital
- District Superintendent
- General Cost of Administration

Larger Employers

The larger employers in the BOCES area, and the approximate number of persons employed by each are as follows:

<u>Employer</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
Fort Drum	Department of Defense	19,748
Samaritan Medical Center	Healthcare	2,453
NY State	Government	1,921
Jefferson County	Government	790
Indian River Central School	Education	751
Lewis County General Hospital	Healthcare	450
Carthage Central School	Education	595
Watertown City School	Education	579
Jefferson Rehabilitation Center	Healthcare	557
Jefferson Lewis BOCES	Education	487
Performance Materials	Manufacturing	427
Kraft Heinz	Manufacturing	412
City of Watertown	Government	397
Carthage Area Hospital	Healthcare	384
New York Air Brake Corp	Manufacturing	355

Component School Districts

The school districts which comprise the BOCES (collectively, the “Component School Districts”) are as follows:

Adirondack	General Brown	Sackets Harbor
Alexandria	Indian River	South Jefferson
Beaver River	Inlet	South Lewis
Belleville Henderson	LaFargeville	Thousand Islands
Carthage	Lowville	Town of Webb
Copenhagen	Lyme	Watertown

Form of BOCES Administration

The BOCES programs are carried out by a staff of approximately 400 salaried staff members, supplemented by approximately 80 hourly and/or daily employees. The BOCES Board is made up of 9 members representing the component districts within the BOCES area, and generally, with certain exceptions, no more than one member may reside within the boundaries of a particular school district. The BOCES Board members are elected by the boards of education of the 18 component school districts, and each serves for a period of three years, unless appointed or elected in a special election to serve out the term of office of a BOCES Board member who has resigned. They serve without compensation, but are reimbursed for some expenses incurred in carrying out their responsibilities.

All authority rests with the BOCES Board as a whole, and not with any individual member or any group of members in any committee. The BOCES Board has responsibility for the governance of the BOCES and for all final policy decisions.

Employees

The number of persons employed by the BOCES, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
52	BOCES Support Staff Association	June 30, 2024
97	CSEA	June 30, 2022 ⁽¹⁾
177	BOCES Professional Association	June 30, 2023

⁽¹⁾ Currently under negotiations

Source: BOCES officials.

Budgetary Procedures

Pursuant to the Education Law, the Board of BOCES annually prepares, prior to the annual meeting of the Boards of Education of the Component School Districts, a tentative budget for the BOCES program. A meeting of the Boards of Education of the Component School Districts is held in the month of April at which time the tentative budget is available for inspection by said Boards of Education. After such annual meeting, the Board of BOCES adopts the budget for the ensuing year.

Such budget, when so adopted, after deducting applicable State aid grants and other revenues is charged against all of the Component School Districts in accordance with the Education Law. The authorities of each Component School District are required to add such amount to the budget of such Component School District, levy and collect the same at the same time and in the same manner as such district collects other taxes for its own use and pay such amounts to the Treasurer of the BOCES. In the event the tentative budget of a Component School District is not approved by a majority of the voters, such charge from the BOCES may be raised by such Component School Districts as an ordinary contingent expense in a like manner as if the same had been voted by the voters.

Obligations of Component School Districts

All component school districts are required to pay their allocable share of BOCES administrative and capital expenses notwithstanding that they may elect not to participate in any of BOCES educational programs. Each component school district pays a proportional share of BOCES administrative and capital expenses (based on attendance or enrollment formulas or property values) through tax levies and local school boards vote on BOCES administrative and capital budgets each spring. The portion of the budget allocated to payments to the BOCES, however, is not subject to such vote of the local school boards. The Education Law requires that each component school district add the amount of its share of BOCES administrative expenses to its budget and pay such amount to BOCES. The moneys collected for and on behalf of a BOCES by each component school district are required by law to be paid by the school district to such BOCES treasurer. Under other provisions of New York law, component school districts of a BOCES are political subdivisions of the State of New York and (with certain exceptions) have the power to levy and collect ad valorem taxes on real property.

Under New York law, if the budget of a school district is not approved by the voters, provision is made for the board of education of the school district to adopt, without voter approval, a contingent budget to pay for the basic or minimal needs of the school district subject to statutory caps which will include its allocable share of BOCES administrative and capital expenses.

All the taxable property of each such school district is subject to levy of ad valorem taxes, without limitation as to rate or amount, to pay the school district's allocable share of BOCES administrative and capital expenses. In addition, each county or other political subdivision having responsibility for the enforcement of delinquent school taxes is required to pay to the school districts the full amount of school taxes which remain uncollected before the end of the school year.

Contractual Agreement

Upon adoption of the budget for the ensuing fiscal year, contracts are drafted and executed by the BOCES and the respective Component School Districts. Said contracts are based on the final requests for services.

The contracts, along with the State required COSER form (which specifies program content of the proposed services to be performed by the BOCES) must be filed with the State Commissioner of Education by July 1. During the month of July, the State Commission of Education notifies the BOCES of any programs or services he deems ineligible for State aid. With the knowledge of approved program contents for State aid, the BOCES and Component School Districts may modify the aforementioned contracts. All contracts must be approved by the Commissioner's office by September 1. Such approval is then usually routinely granted, however, the contracts are not valid and binding until such approval is obtained. Each Component School District is billed pursuant to its contract, and remits to the Treasurer of the BOCES 10% of its total liability each month from September through June with slight modifications as necessary to reflect changes in actual service levels.

All contracts and COSER forms for the 2022-23 fiscal year have been approved by the Component School Districts and have been filed with the State Commissioner of Education.

Percentage of Contractual Liability

The following chart shows, as of May 31, 2022 for each component school district, (a) the total amount payable from the school district to BOCES and the percentage such amount represents of BOCES' overall receipts from component school districts, and (b) the proportionate share of BOCES administrative expenses paid by such component school district and the percentage such amount represents of BOCES' overall administrative expenses:

Component School Districts' Share of Jefferson, Lewis, Hamilton, Herkimer, and Oneida BOCES Expenses (Through 5/31/22)

<u>Component School District</u>	<u>Total Amount Paid to BOCES</u>	<u>Percentage Share of Total BOCES Receipts</u>	<u>Amount Allocated to Administrative Expenses</u>	<u>Percentage Share of Administrative Expenses</u>
Adirondack	\$2,180,414	4.08%	\$236,772	5.48%
Alexandria	1,455,343	2.73%	96,922	2.24%
Beaver River	2,564,002	4.80%	178,009	4.12%
Belleville Henderson	1,792,857	3.36%	94,442	2.19%
Carthage	5,249,472	9.83%	602,520	13.95%
Copenhagen	1,279,704	2.40%	74,218	1.72%
General Brown	3,521,045	6.59%	280,845	6.50%
Indian River	10,909,335	20.43%	679,790	15.74%
Inlet	12,729	0.02%	11,447	0.27%
LaFargeville	1,578,545	2.96%	99,402	2.30%
Lowville	3,198,485	5.99%	252,990	5.86%
Lyme	1,379,652	2.58%	68,303	1.58%
Sackets Harbor	1,428,010	2.67%	77,080	1.78%
South Jefferson	3,041,488	5.70%	360,787	8.35%
South Lewis	2,689,120	5.04%	200,904	4.65%
Thousand Islands	2,818,269	5.28%	178,199	4.13%
Town of Webb	687,741	1.29%	44,264	1.02%
Watertown	<u>7,614,031</u>	14.26%	<u>781,674</u>	18.10%
Totals	<u>\$53,400,239</u>	<u>100.00%</u>	<u>\$4,318,568</u>	<u>100.00%</u>

* Totals may not add due to rounding.

Source: BOCES records.

State Appropriations

The State has made appropriations to the BOCES program in each year since 1949 when the program was initiated. The amount of State aid payable to each BOCES has varied in accordance with a statutory formula set forth in the Education Law, except that payments in lieu of BOCES aid were made for the school year ending June 30, 2002 in an amount specified by the Legislature. The amount apportioned by the State for payment to a BOCES during a BOCES school year, which ends June 30th, is payable in installments, approximately 25% of which is payable in February, approximately 30% of which is payable in June, and the remaining balance is payable in September. During BOCES fiscal year, the State aid payment made in February is made in one State fiscal year, and the State aid payments made in June and September occur in the subsequent State fiscal year.

While the BOCES program has received State aid in each year since its inception, both the determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to BOCES. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature.

The following chart presents the amount of State aid accrued by the BOCES during the past five school years ended June 30 of the years shown, although a portion of such amount may have been received by the BOCES in the next school year. State aid for administrative services expenses is based on the preceding year's expenditures, while capital and facilities rental aid is based on the BOCES budget for the year in which it is received.

<u>School Year</u> <u>Ending June 30,</u>	<u>State Aid</u>
2022	\$ 19,062,518
2021	24,099,647
2020	27,513,399
2019	18,430,258
2018	14,998,955
2017	15,148,383

Source: BOCES records.

Status and Financing of Employee Pension Benefits

Professional employees (teachers and administrators) are members of the New York State Teachers' Retirement System ("TRS"). All non-professional employees of the BOCES eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employees' Retirement System ("ERS") and collectively with TRS, the "Retirement Systems". These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement 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 benefits and optional methods of benefit payments. All benefits generally begin vesting after five (5) years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 1, 1976, with less than 10 years of service, must contribute 3% of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. New professional hires as members of TRS will be required to contribute 3.5% under recent new legislature.

On December 12, 2009, the new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Additionally, on March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Set forth below is a table of payments made by the BOCES to ERS and TRS for the 2017-2018 through 2021-2022 fiscal years and the budgeted contributions for the 2022-2023 fiscal year:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2017-2018	\$ 856,309	\$ 1,786,410
2018-2019	866,225	1,508,089
2019-2020	888,234	1,713,920
2020-2021	880,705	1,476,016
2021-2022 (Unaudited)	923,109	1,595,715
2022-2023 (Budgeted)	896,570	1,519,578

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The BOCES currently does not have any early retirement incentives.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2023) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

*-Estimated

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The BOCES is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the Component School Districts and the BOCES, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The BOCES did not participate in the Stable Rate Pension Contribution Option, and does not intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the Component School Districts' and BOCES' employees is not subject to the direction of the Component School Districts and the BOCES. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Component School Districts and the BOCES which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the BOCES provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the BOCES, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the BOCES implemented GASB 75. The implementation of this statement requires the BOCES to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the BOCES to calculate and report a net OPEB obligation. However, under GASB 45 BOCES could amortize the OPEB liability over a period of years, whereas GASB 75 requires BOCES to report the entire OPEB liability on the statement of net position.

The BOCES contracted with an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2020 and 2021.

The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

Balance beginning at:	June 30, 2019	June 30, 2020
	<u>\$ 105,823,215</u>	<u>\$ 120,267,310</u>
<u>Changes for the year:</u>		
Service cost	4,249,073	5,814,613
Interest	3,278,642	2,891,782
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	9,732,109	44,613,756
Benefit payments	<u>(2,815,729)</u>	<u>(3,503,312)</u>
Net Changes	<u>\$ 14,444,095</u>	<u>\$ 49,816,839</u>
Balance ending at:	June 30, 2020	June 30, 2021
	<u>\$ 120,267,310</u>	<u>\$ 170,084,149</u>

Note: The above table is not audited. For additional information see "APPENDIX - E" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The BOCES has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The BOCES unfunded actuarial accrued OPEB liability could have a material adverse impact upon the BOCES's finances and could force the BOCES to reduce services.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

The following two sections are applicable to the Component School Districts of the BOCES. The BOCES has no taxing authority.

Tax Collection Procedure of Component School Districts

Tax payments in each of the Component School Districts are due September 1. On November 15, uncollected taxes are returnable to the respective Counties for collection. The Component School Districts receive the uncollected amount from said Counties prior to the end of the Component School Districts' fiscal year, thereby assuring 100% collection annually. Tax sales are held annually by said Counties.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers.) While the BOCES does not have the power to levy property taxes, the Component School Districts upon which it relies for payments do.

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020 unless other legislation is extended; it was made permanent in recent legislation. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for “Capital Local Expenditures” subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. “Capital Local Expenditures” are defined as “the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law”. The portion of the tax levy necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy”, and this is an exclusion from the tax levy limitation.

On February 20, 2013, the New York State United Teachers (“NYSUT”) and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT’s causes of action but granted NYSUT’s motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT’s motion for a preliminary injunction and dismissed all causes of action contained in NYSUT’s second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution “does not require that equal educational offerings be provided to every student”, and further noted “the legitimate government interest of restraining crippling property tax increases”. An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York’s highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Component School District and the BOCES are uncertain at this time.

Financial Statements

The BOCES retains independent certified public accountants. The last audited report covers the period ending June 30, 2021 and is attached hereto as “APPENDIX – E”. Certain financial information relating to the Component School Districts may be found in appendices to this Official Statement. In addition, the State Comptroller's office, Department of Audit and Control, periodically performs a compliance review to ascertain whether the BOCES has complied with the requirements of various State and Federal statutes.

The BOCES complies with the Uniform System of Accounts as prescribed by the State Comptroller for BOCES in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Such generally accepted accounting principles require that contributions for employee retirement benefits be accrued on the basis of current actuarially computed data under the funding requirements of the New York State Retirement System. This will have the effect of understating expenses and overstating fund balanced of affected funds.

Beginning with the fiscal year ending June 30, 2003 the BOCES issued its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates 16 of the 18 of the component school districts in a category of "No Designation."

The Belleville Henderson Central School District's fiscal score for the fiscal year ended June 30, 2021 was 26.7% and categorized as "Susceptible Fiscal Stress."

The Inlet Common School District did not file the required information to receive a stress designation or fiscal score for the fiscal year ended June 30, 2021, June 30, 2020, June 30, 2019 or June 30, 2018. The Inlet Common School District's fiscal score for the fiscal year ended June 30, 2017 was 0.0%.

Additional details regarding the Fiscal Stress Monitoring System can be found on the New York State Comptroller's official website.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

This Official Statement includes a summary of financial data of each Component School District having power to levy taxes within its respective BOCES.

No principal or interest upon any obligation of the BOCES is past due.

The fiscal year of the BOCES is July 1 to June 30.

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Capital Project Plans

All New York State school districts and BOCES are required to periodically develop building condition surveys and conduct annual visual inspections for their respective facilities.

In March 2018, the BOCES held a public vote to receive authorization to pursue a capital project not to exceed \$20,000,000. The main goal of the project is to address issues identified in the fiscal year 2015-16 5-year Building Condition Survey. SED submittal took place in the Spring of 2019, with approval in the Summer, 2019. The Capital Project bids were awarded in December, 2019 and work began in the two technical centers in April, 2020. Additional scope allowed work to be expanded to the Programs for Exceptional Students (PES) Administrative building, with an estimated completion date of Fall, 2022.

Below is a chart showing each component district's share of the \$20,000,000 project. Costs are determined based on percentages using RWADA data.

Component School District	Allocation of Project	RWADA Percent of
	Costs	Project Costs
Adirondack Central School District	\$ 1,100,381	5.50%
Alexandria Bay Central School District	494,706	2.47%
Beaver River Central School District	781,872	3.91%
Belleville Henderson Central School District	414,231	2.07%
Carthage Central School District	2,810,673	14.05%
Copenhagen Central School District	371,029	1.86%
General Brown Central School District	1,318,933	6.59%
Indian River Central School District	3,229,140	16.15%
Inlet Common School	50,826	0.25%
LaFargeville Central School District	474,375	2.37%
Lowville Academy & Central School District	1,174,079	5.87%
Lyme Central School District	305,803	1.53%
Sackets Harbor Central School District	383,736	1.92%
South Jefferson Central School District	1,650,148	8.25%
South Lewis Central School District	930,962	4.65%
Thousand Islands Central School District	941,127	4.71%
Town of Webb Union Free School District	207,539	1.04%
Watertown City School District	3,360,440	16.80%
Totals	\$20,000,000	100.00%

The BOCES collected installments from each component district based on the chart below. Each component district has the authority to pay cash, issue bond anticipation notes or issue bonds to finance its share. If borrowing occurs it will be based on each district's credit rating.

Component School District	District Total Share	Payment Collected By	Payment Collected By
		February 15, 2020	August 15, 2020
Adirondack	\$1,100,381	\$605,210	\$495,171
Alexandria	494,706	272,088	222,618
Beaver River	781,872	390,936	390,936
Belleville Henderson	414,231	227,827	186,404
Carthage	2,810,673	1,545,870	1,264,803
Copenhagen	371,029	371,029	0
General Brown	1,318,933	1,318,933	0
Indian River	3,229,140	1,776,027	1,453,113
Inlet	50,826	27,954	22,872
LaFargeville	474,375	260,906	213,469
Lowville	1,174,079	1,174,079	0
Lyme	305,803	305,803	0
Sackets Harbor	383,736	383,736	0
South Jefferson	1,650,148	907,581	742,567
South Lewis	930,962	512,029	418,933
Thousand Islands	941,127	941,127	0
Town of Webb	207,539	207,539	0
Watertown	3,360,440	1,848,242	1,512,198
Totals	\$20,000,000	\$13,076,916	\$6,923,084

The BOCES currently has no additional plans for any capital project work during the 2021-22 fiscal year.

Lease Obligations

The BOCES entered into a 15-year lease purchase for an energy performance contract dated March 9, 2021 for \$1,734,094. The future payments on the lease are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 101,425.00	\$ 37,491.88	\$ 138,916.88
2024	103,751.00	35,190.56	138,941.56
2025	106,131.00	32,836.44	138,967.44
2026	108,565.00	30,428.34	138,993.34
2027	111,056.00	27,965.00	139,021.00
2028-32	594,682.00	100,851.00	695,533.00
2033-36	<u>526,743.00</u>	<u>30,217.50</u>	<u>556,960.50</u>
Total	<u>\$1,652,353.00</u>	<u>\$ 294,980.72</u>	<u>\$1,947,333.72</u>

Source: BOCES records.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State aid and assistance payable to the Component School Districts is not subject to intercept under Section 99-b of the State Finance Law in the event of a default by BOCES in the payment of principal and/or interest on the Notes.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the BOCES upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the BOCES may not be enforced by levy and execution against property owned by the BOCES.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to BOCES, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the BOCES.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the BOCES to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The BOCES relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the BOCES can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the BOCES can be paid only if the State has such monies available therefore. (See "*State Aid*" herein). Should the BOCES fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the BOCES is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The long-term impact of the Tax Levy Limitation Law on the budgets of the Component School Districts could affect their utilization of the services of the BOCES over time.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*TAX MATTERS*" herein).

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the BOCES' financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State previously declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including temporarily closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the BOCES' operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the component school districts of the BOCES. The BOCES is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*State Aid History*" herein).

Cybersecurity

The BOCES, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the BOCES will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. The BOCES does have a cybersecurity insurance policy in place.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the BOCES will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as "APPENDIX – D".

Historical Compliance

The BOCES is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

LITIGATION

The BOCES is subject to a number of lawsuits in the ordinary conduct of its affairs. The BOCES does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the BOCES.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the BOCES, threatened against or affecting the BOCES to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the BOCES taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the BOCES.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The BOCES will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become includable in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Notes. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Notes is includable in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Notes.

Prospective purchasers should consult their tax advisors with respect to the calculations of the foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

The opinion of Bond Counsel described herein with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable Federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition, in the opinion of Bond Counsel, under existing laws, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the BOCES, (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the BOCES comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The BOCES has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Such legal opinion will also state (i) in rendering the opinions expressed therein, as to questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon the certified proceedings and other certifications of public officials furnished to Bond Counsel without undertaking to verify the same by independent investigation; (ii) Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement) and Bond Counsel expresses no opinion relating thereto (accepting only matters set forth as Bond Counsel's opinion in the Official Statement), and (iii) the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable and that their enforceability may be also subject to the exercise of judicial discretion in the appropriate cases.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board (the "MSRB"). The Municipal Advisor serves as independent Municipal Advisor to the BOCES on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the BOCES and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the BOCES or the information set forth in this Official Statement or any other information available to the BOCES with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the BOCES to the Municipal Advisor may be contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the BOCES provided, however; the BOCES assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the BOCES management's beliefs as well as assumptions made by, and information currently available to, the BOCES's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the BOCES's files with the repositories. When used in BOCES documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

The Official Statement is submitted only in connection with the sale of the Notes by the BOCES, and may not be reproduced or used in whole or in part for any other purpose.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the BOCES nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the BOCES disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the BOCES also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The BOCES contact information is as follows: Michele Traynor, Assistant Superintendent for Business, 20104 New York State Route #3, Watertown, New York 13601-9509, Phone: (315) 779-7022, Fax: (315) 779-7009, Email: mtraynor@boces.com.

This Official Statement has been duly executed and delivered by the President of the Board of the BOCES.

**BOARD OF COOPERATIVE EDUCATIONAL
SERVICES FOR THE SOLE SUPERVISORY
DISTRICT OF JEFFERSON, LEWIS, HAMILTON
HAMILTON, HERKIMER AND ONEIDA COUNTIES**

**Dated: Watertown, New York
June 14, 2022**

**PETER E. MONACO
Board President**

APPENDIX - A
Jefferson Lewis Hamilton
Herkimer and Oneida BOCES

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>ASSETS</u>					
Unrestricted and Restricted Cash	\$ 2,515,120	\$ 5,848,284	\$ 6,484,272	\$ 4,737,434	\$ 5,951,089
Due from Other Funds	1,462,720	777,803	1,342,637	1,524,893	1,160,830
Other Receivables	550,534	131,773	156,942	119,569	58,908
Accounts Receivable	-	-	-	-	-
State and Federal Aid Receivable	7,634,159	6,902,225	9,406,900	16,914,575	10,893,045
Due from School Districts	-	-	-	-	-
Due from Other Governments	39,386	10,400	24,125	12,220	10,073
Prepaid Expenses	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 12,201,919</u>	<u>\$ 13,670,485</u>	<u>\$ 17,414,876</u>	<u>\$ 23,308,691</u>	<u>\$ 18,073,945</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	51,944	111,195	1,289,380	721,428	365,221
Accrued Liabilities	-	89,880	49,347	59,463	226,978
Due to Components	7,717,534	9,301,286	11,224,974	17,865,161	12,765,560
Due to Other Governments	2,896	2,818	4,809	13,897	15,689
Due to Other Funds	101,659	109,291	450,041	83,306	136,209
Due to Teachers' Retirement System	1,796,392	1,508,089	1,713,920	1,477,607	1,595,715
Due to Employees' Retirement System	242,983	256,766	255,228	259,022	274,234
Other Deposits and Liabilities	-	-	-	-	-
Collections in Advance	-	-	-	-	-
Deferred Revenue	-	-	-	-	237,613
Unearned Revenue	15	-	-	-	-
TOTAL LIABILITIES	<u>9,913,423</u>	<u>11,379,325</u>	<u>14,987,699</u>	<u>20,479,884</u>	<u>15,617,219</u>
<u>FUND BALANCE</u>					
Restricted	\$ 1,819,113	\$ 1,934,045	\$ 2,427,000	\$ 2,539,738	\$ 2,343,478
Unreserved:					
Appropriated/Assigned	469,383	357,115	177	289,069	113,248
Unappropriated	-	-	-	-	-
TOTAL FUND EQUITY	<u>2,288,496</u>	<u>2,291,160</u>	<u>2,427,177</u>	<u>2,828,807</u>	<u>2,456,726</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 12,201,919</u>	<u>\$ 13,670,485</u>	<u>\$ 17,414,876</u>	<u>\$ 23,308,691</u>	<u>\$ 18,073,945</u>

Source: Audited financial reports of the BOCES. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Charges to Components	\$ 44,340,080	\$ 48,005,885	\$ 48,015,713	\$ 65,375,155	\$ 56,379,795
Charges to Other BOCES	1,206,088	1,260,016	1,502,625	1,540,764	1,578,941
Charges for Services	4,198,071	4,215,450	4,222,947	55,885	47,809
Use of Money and Property	522	806	95,374	89,205	15,486
Sale of Property and Compensation for Loss	31,711	24,152	9,947	11,725	15,201
Miscellaneous	2,055,340	1,882,242	1,014,895	1,140,526	837,077
Indirect Cost	-	-	-	-	-
Charges to Non-Components	-	-	-	-	-
Revenues from Other Sources	55,000	10,000	-	-	-
Refund of Prior Year Expenditures	-	-	-	-	-
Total Revenues	<u>\$ 51,886,812</u>	<u>\$ 55,398,551</u>	<u>\$ 54,861,501</u>	<u>\$ 68,213,260</u>	<u>\$ 58,874,309</u>
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>51,886,812</u>	<u>55,398,551</u>	<u>54,861,501</u>	<u>68,213,260</u>	<u>58,874,309</u>
EXPENDITURES					
Administration	\$ 4,103,851	\$ 4,251,997	\$ 4,504,880	\$ 4,213,189	\$ 4,541,259
Career & Technical Programs	9,943,995	10,565,835	9,615,526	9,520,585	9,756,302
Programs for Exceptional Students	13,520,496	13,823,799	14,239,572	13,726,858	13,077,644
Itinerant Services	3,325,934	3,155,564	3,829,070	4,017,820	4,084,607
General Instruction	1,785,163	1,941,421	2,107,600	2,112,891	1,528,816
Instructional Support	6,415,440	6,342,051	7,545,355	7,812,804	6,864,304
Other Services	8,654,804	11,917,659	10,606,130	10,937,591	11,026,718
Indirect Services	-	-	-	-	-
Refund of Surplus	-	-	-	-	-
Total Expenditures	<u>\$ 47,749,683</u>	<u>\$ 51,998,326</u>	<u>\$ 52,448,133</u>	<u>\$ 52,341,738</u>	<u>\$ 50,879,650</u>
Other Uses:					
Interfund Transfers	-	-	-	(12,997,961)	(6,923,084)
Refund of surplus unpaid	(4,137,129)	(3,400,225)	(2,413,368)	(2,873,561)	(1,071,575)
Reserve for Unemployment Insurance	(274,085)	-	-	-	-
Reserve for Retirement Contributions	-	-	380,869	62,703	49,970
Reserve for Employee Benefits	-	-	16,625	10,973	6,714
Reserve for Unemployment Benefits	340,530	101,530	-	-	-
Reserve for Advanced Technical Equipment	34	13,402	95,461	39,062	(252,944)
Encumbrances	459,895	(112,268)	(356,938)	288,892	(175,821)
Total Expenditures and Other Uses	<u>44,138,928</u>	<u>48,600,765</u>	<u>50,170,782</u>	<u>36,871,846</u>	<u>42,512,910</u>
Excess (Deficit) Revenues Over Expenditures	<u>526,374</u>	<u>2,664</u>	<u>136,017</u>	<u>401,630</u>	<u>(372,081)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	1,762,122	2,288,496	2,291,160	2,427,177	2,828,807
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 2,288,496</u>	<u>\$ 2,291,160</u>	<u>\$ 2,427,177</u>	<u>\$ 2,828,807</u>	<u>\$ 2,456,726</u>

Source: Audited financial reports of the BOCES. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:

	2021			2022	2023
	Adopted <u>Budget</u>	Modified <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
REVENUES					
Administration	\$ 4,603,792	\$ 11,781,675	\$ 11,520,240	\$ 4,812,818	\$ 5,005,852
Career & Technical Programs	10,843,667	10,899,273	10,606,931	10,654,225	10,968,246
Programs for Exceptional Students	15,370,484	15,384,082	12,788,249	15,385,197	15,940,580
Itinerant Services	4,837,854	5,070,576	3,965,591	4,365,576	5,361,883
General Instruction	2,445,024	2,648,388	1,442,984	2,384,150	2,451,472
Instructional Support	6,088,484	8,613,315	7,056,749	6,112,865	6,646,978
Other Services	8,142,413	12,505,264	11,493,565	8,285,241	9,021,437
Indirect Services	-	-	-	-	-
Refund of Surplus	-	-	-	-	-
Total Revenues	<u>\$ 52,331,718</u>	<u>\$ 66,902,573</u>	<u>\$ 58,874,309</u>	<u>\$ 52,000,072</u>	<u>\$ 55,396,448</u>
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>52,331,718</u>	<u>66,902,573</u>	<u>58,874,309</u>	<u>52,000,072</u>	<u>55,396,448</u>
EXPENDITURES					
Administration	\$ 4,603,792	\$ 4,858,592	\$ 4,541,259	\$ 4,812,818	\$ 5,005,852
Career & Technical Programs	10,843,667	10,899,273	9,756,302	10,654,225	10,968,246
Programs for Exceptional Students	15,370,484	15,384,082	13,077,644	15,385,197	15,940,580
Itinerant Services	4,837,854	5,070,576	4,084,607	4,365,576	5,361,883
General Instruction	2,445,024	2,648,388	1,528,816	2,384,150	2,451,472
Instructional Support	6,088,484	8,613,315	6,864,304	6,112,865	6,646,978
Other Services	8,142,413	12,505,264	11,026,718	8,285,241	9,021,437
Indirect Services	-	-	-	-	-
Refund of Surplus	-	-	-	-	-
Total Expenditures	<u>\$ 52,331,718</u>	<u>\$ 59,979,490</u>	<u>\$ 50,879,650</u>	<u>\$ 52,000,072</u>	<u>\$ 55,396,448</u>
Other Uses:					
Interfund Transfers	-	6,923,083	6,923,084	-	-
Return of Surplus	-	-	(1,071,575)	-	-
Reserve for Unemployment Insurance	-	-	-	-	-
Reserve for Retirement Contributions	-	-	49,970	-	-
Reserve for Employee Benefits	-	-	6,714	-	-
Reserve for Advanced Technical Equipment	-	-	(252,944)	-	-
Encumbrances	-	-	(175,821)	-	-
Total Expenditures and Other Uses	<u>52,331,718</u>	<u>66,902,573</u>	<u>(2,515,231)</u>	<u>52,000,072</u>	<u>55,396,448</u>
Excess (Deficit) Revenues Over					
Expenditures	-	-	(372,081)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	2,828,807	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,456,726</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited financial report and budgets of the BOCES. This Appendix is not itself audited.

**COMPONENT SCHOOL DISTRICTS
FINANCIAL INFORMATION**

GENERAL FUND: Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ending June 30, 2021:

	Adirondack C.S.D.	Alexandria C.S.D.	Beaver River C.S.D.	Belleville Henderson C.S.D.	Carthage C.S.D.	Copenhagen C.S.D.
REVENUES						
Real Property Taxes	9,071,319	\$ 7,356,208	\$ 4,939,190	\$ 4,483,765	\$ 5,859,235	\$ 1,571,026
Real Property Tax Items	1,261,946	381,964	633,275	309,416	776,116	531,815
Charges for Services	64,702	2,903	18,130	355	21,384	9,497
Use of Money & Property	4,594	8,017	4,108	900	50,399	6,008
Sale of Property and Compensation for Loss	6,909	19,316	3,536	-	61,648	-
Miscellaneous	686,515	162,271	219,168	160,159	409,960	114,014
Interfund Revenues	-	-	-	-	-	-
Revenues from State Sources	17,406,914	5,024,472	10,693,252	4,942,819	43,386,107	7,947,262
Revenues from Federal Sources	509,088	173,231	318,439	210,824	11,749,182	250,332
Total Revenues	<u>\$ 29,011,987</u>	<u>\$ 13,128,382</u>	<u>\$ 16,829,098</u>	<u>\$ 10,108,238</u>	<u>\$ 62,314,031</u>	<u>\$ 10,429,954</u>
Other Sources:						
Proceeds from Debt	-	-	-	370,000	-	-
Interfund Transfers (in)	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,703</u>	<u>5,490</u>	<u>-</u>
Total Revenues and Other Sources	<u>29,011,987</u>	<u>13,128,382</u>	<u>16,829,098</u>	<u>10,542,941</u>	<u>62,319,521</u>	<u>10,429,954</u>
EXPENDITURES						
General Support	\$ 2,937,132	\$ 2,183,045	\$ 2,375,812	\$ 1,723,468	\$ 7,292,279	\$ 1,320,744
Instruction	11,096,939	5,205,224	7,422,874	5,078,404	27,861,111	4,493,144
Pupil Transportation	1,705,810	710,305	700,966	701,710	4,664,722	794,224
Community Services	-	-	-	-	-	-
Employee Benefits	8,272,847	3,123,098	3,703,815	2,266,969	14,750,719	2,248,539
Debt Service	<u>2,730,548</u>	<u>847,798</u>	<u>1,182,815</u>	<u>893,927</u>	<u>2,829,438</u>	<u>1,427,347</u>
Total Expenditures	<u>\$ 26,743,276</u>	<u>\$ 12,069,470</u>	<u>\$ 15,386,282</u>	<u>\$ 10,664,478</u>	<u>\$ 57,398,269</u>	<u>\$ 10,283,998</u>
Other Uses:						
Interfund Transfers (out)	<u>122,630</u>	<u>1,745,740</u>	<u>148,032</u>	<u>107,474</u>	<u>271,973</u>	<u>1,371</u>
Total Expenditures and Other Uses	<u>26,865,906</u>	<u>13,815,210</u>	<u>15,534,314</u>	<u>10,771,952</u>	<u>57,670,242</u>	<u>10,285,369</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,146,081</u>	<u>(686,828)</u>	<u>1,294,784</u>	<u>(229,011)</u>	<u>4,649,279</u>	<u>144,585</u>
FUND BALANCE						
Fund Balance - Beginning of Year	5,946,383	4,181,976	4,685,923	2,141,231	39,656,812	3,311,023
Prior Period Adjustments (net)	-	-	-	-	-	-
Other Adjustments(net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 8,092,464</u>	<u>\$ 3,495,148</u>	<u>\$ 5,980,707</u>	<u>\$ 1,912,220</u>	<u>\$ 44,306,091</u>	<u>\$ 3,455,608</u>

Source: Audited financial reports of the school districts. This Appendix is not itself audited.

**COMPONENT SCHOOL DISTRICTS
FINANCIAL INFORMATION**

GENERAL FUND: Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ending June 30, 2021:

	General Brown C.S.D.	Indian River C.S.D.	LaFargeville C.S.D.	Lowville C.S.D.	Lyme C.S.D.	Sackets Harbor C.S.D.
REVENUES						
Real Property Taxes	\$ 7,552,067	\$ 2,281,230	\$ 3,945,095	\$ 3,994,692	\$ 3,944,722	\$ 4,020,051
Real Property Tax Items	810,185	226,013	251,919	2,318,970	267,109	308,249
Charges for Services	40,766	30,100	14,677	94,103	-	-
Use of Money & Property	29,078	115,457	3,054	23,963	13,896	1,371
Sale of Property and Compensation for Loss	11,765	72,558	12,536	11,685	-	15,751
Miscellaneous	223,627	1,585,963	112,560	404,640	115,913	160,139
Interfund Revenues	-	-	-	-	-	-
Revenues from State Sources	14,761,959	57,976,197	6,336,906	19,144,412	3,543,778	4,243,054
Revenues from Federal Sources	389,575	23,747,100	147,498	478,013	140,220	281,195
Total Revenues	<u>\$ 23,819,022</u>	<u>\$ 86,034,618</u>	<u>\$ 10,824,245</u>	<u>\$ 26,470,478</u>	<u>\$ 8,025,638</u>	<u>\$ 9,029,810</u>
Other Sources:						
Interfund Transfers (in)	<u>-</u>	<u>2,751</u>	<u>-</u>	<u>72,386</u>	<u>7,656</u>	<u>-</u>
Total Revenues and Other Sources	<u>23,819,022</u>	<u>86,037,369</u>	<u>10,824,245</u>	<u>26,542,864</u>	<u>8,033,294</u>	<u>9,029,810</u>
EXPENDITURES						
General Support	\$ 2,397,686	\$ 12,368,929	\$ 1,388,408	\$ 2,867,010	\$ 922,402	\$ 970,255
Instruction	10,997,762	39,113,830	4,674,107	13,335,197	3,400,741	4,054,117
Pupil Transportation	906,572	6,419,807	491,204	891,288	466,740	299,533
Community Services	-	-	-	51,130	-	-
Employee Benefits	5,235,226	17,013,234	2,465,604	5,872,431	1,926,610	2,107,647
Debt Service	1,620,215	6,256,876	1,230,230	3,339,800	592,077	891,084
Total Expenditures	<u>\$ 21,157,461</u>	<u>\$ 81,172,676</u>	<u>\$ 10,249,553</u>	<u>\$ 26,356,856</u>	<u>\$ 7,308,570</u>	<u>\$ 8,322,636</u>
Other Uses:						
Interfund Transfers (out)	<u>485,565</u>	<u>618,273</u>	<u>96,013</u>	<u>108,747</u>	<u>105</u>	<u>2,755</u>
Total Expenditures and Other Uses	<u>21,643,026</u>	<u>81,790,949</u>	<u>10,345,566</u>	<u>26,465,603</u>	<u>7,308,675</u>	<u>8,325,391</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,175,996</u>	<u>4,246,420</u>	<u>478,679</u>	<u>77,261</u>	<u>724,619</u>	<u>704,419</u>
FUND BALANCE						
Fund Balance - Beginning of Year	7,206,970	42,499,611	4,620,687	15,199,154	4,392,695	2,107,219
Prior Period Adjustments (net)	-	-	-	-	-	-
Other Adjustments(net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 9,382,966</u>	<u>\$ 46,746,031</u>	<u>\$ 5,099,366</u>	<u>\$ 15,276,415</u>	<u>\$ 5,117,314</u>	<u>\$ 2,811,638</u>

Source: Audited financial reports of the school districts. This Appendix is not itself audited.

**COMPONENT SCHOOL DISTRICTS
FINANCIAL INFORMATION**

GENERAL FUND: Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ending June 30, 2021:

	South Jefferson C.S.D.	South Lewis C.S.D.	Thousand Islands C.S.D.	Town of Webb S.D.	Watertown C.S.D.	TOTAL OF 17 COMPONENT SCHOOL DISTRICTS
REVENUES						
Real Property Taxes	\$ 7,168,457	\$ 7,990,696	\$ 11,113,593	\$ 6,254,510	\$ 16,710,509	\$ 108,256,365
Real Property Tax Items	1,032,317	913,917	775,331	82,936	1,633,000	12,514,478
Charges for Services	47,664	35,640	5,456	1,042,818	255,788	1,648,211
Use of Money & Property	3,105	15,440	45,149	9,412	18,762	91,868
Sale of Property and Compensation for Loss	223	37,289	12,895	17,117	44,424	4,466,877
Miscellaneous	348,381	286,963	178,787	244,634	489,898	1,548,663
Interfund Revenues	-	-	-	-	-	195,407,132
Revenues from State Sources	26,181,951	15,886,622	9,463,203	1,027,730	45,055,920	136,010,123
Revenues from Federal Sources	450,802	361,814	287,997	54,173	2,773,378	309,953,665
Total Revenues	\$ 35,232,900	\$ 25,528,381	\$ 21,882,411	\$ 8,733,330	\$ 66,981,679	\$ 770,113,086
Other Sources:						
Interfund Transfers (in)	195,217	-	-	-	250,000	-
Total Revenues and Other Sources	35,428,117	25,528,381	21,882,411	8,733,330	67,231,679	770,113,086
EXPENDITURES						
General Support	\$ 3,594,089	\$ 3,246,979	\$ 2,420,009	\$ 1,758,504	\$ 7,563,144	\$ 57,329,895
Instruction	14,234,262	11,416,709	9,118,058	3,638,712	33,439,432	208,580,623
Pupil Transportation	1,457,443	1,199,198	1,212,764	500,077	2,120,075	25,242,438
Community Services	-	-	6,558	7,818	-	65,506
Employee Benefits	9,303,692	5,664,732	5,498,313	2,254,752	17,626,383	109,334,611
Debt Service	1,363,690	1,997,922	2,096,271	-	5,906,178	35,206,216
Total Expenditures	\$ 29,953,176	\$ 23,525,540	\$ 20,351,973	\$ 8,159,863	\$ 66,655,212	\$ 435,759,289
Other Uses:						
Interfund Transfers (out)	3,523,307	156,592	111,120	140,000	100,000	7,739,697
Total Expenditures and Other Uses	33,476,483	23,682,132	20,463,093	8,299,863	66,755,212	443,498,986
Excess (Deficit) Revenues Over Expenditures	1,951,634	1,846,249	1,419,318	433,467	476,467	326,614,100
FUND BALANCE						
Fund Balance - Beginning of Year	4,462,967	4,429,099	8,179,433	5,283,557	19,476,532	177,781,272
Prior Period Adjustments (net)	-	-	-	-	-	-
Other Adjustments (net)	-	-	-	-	-	-
Fund Balance - End of Year	\$ 6,414,601	\$ 6,275,348	\$ 9,598,751	\$ 5,717,024	\$ 19,952,999	\$ 504,395,372

Source: Audited financial reports of the school districts. This Appendix is not itself audited.

Note: Inlet Common School District is not required to prepare independent audits as a district with less than 8 teachers.

**COMPONENT SCHOOL DISTRICTS
STATUS OF INDEBTEDNESS**
(Fiscal Year Ending June 30, 2021)

<u>Component School District:</u>	<u>Bonds ⁽¹⁾</u>	<u>Bond Anticipation Notes</u>	<u>Other Debt ⁽²⁾</u>	<u>Total Debt Outstanding</u>
Adirondack	\$ 9,830,000	\$ 15,426,543	\$ -	\$ 25,256,543
Alexandria	6,107,500	-	96,561	6,204,061
Beaver River	17,123,398	11,394,000	-	28,517,398
Belleville Henderson	6,550,000	310,000	-	6,860,000
Carthage	2,780,000	15,855,000	-	18,635,000
Copenhagen	10,050,000	5,700,000	-	15,750,000
General Brown	12,275,000	-	1,485,603	13,760,603
Indian River	32,120,000	-	-	32,120,000
LaFargeville	3,893,723	-	435,413	4,329,136
Lowville	15,535,000	-	-	15,535,000
Lyme	2,320,000	-	-	2,320,000
Sackets Harbor	1,268,087	5,895,000	-	7,163,087
South Jefferson	10,680,000	10,484,095	-	21,164,095
South Lewis	7,526,485	33,000,000	-	40,526,485
Thousand Islands	9,485,000	-	417,448	9,902,448
Town of Webb	-	-	-	-
Watertown	14,705,000	9,265,000	-	23,970,000
	<u>\$ 162,249,193</u>	<u>\$ 107,329,638</u>	<u>\$ 2,435,025</u>	<u>\$ 272,013,856</u>

(1) Does not include refunded bonds where applicable. Debt service for these bonds is paid from fully funded escrow accounts, and while not legally defeased, these bonds are considered to be economically defeased.

(2) Includes Contract Leases, Revenue Anticipation Notes and/or Tax Anticipation Notes where applicable.

Source: Audited financial reports of the school districts. This Appendix is not itself audited.

**COMPONENT SCHOOL DISTRICTS
TAX INFORMATION**
(Fiscal Year Ending June 30, 2022)

Componet School District:	Total Taxable Assessed Valuation Used for Tax Levy	Full Valuation	2022 Property Tax Levy	Property Tax Levy as a Percent of Full Valuation
Adirondack	\$ 527,161,663	\$ 757,657,807	\$ 10,429,351	1.38%
Alexandria	607,431,177	666,079,074	7,859,325	1.18%
Beaver River	412,136,489	561,048,575	5,620,494	1.00%
Belleville Henderson	530,615,863	541,534,738	4,955,313	0.92%
Carthage	878,530,624	896,660,371	6,591,154	0.74%
Copenhagen	211,477,351	215,094,416	1,788,462	0.83%
General Brown	685,266,890	822,062,726 ⁽¹⁾	8,599,810	1.05%
Indian River	808,568,601	834,368,747	2,583,574	0.31%
LaFargeville	464,265,723	468,126,501	4,160,120	0.89%
Lowville	601,571,161	610,673,917	4,661,056	0.76%
Lyme	416,392,423	420,598,407	4,206,129	1.00%
Sackets Harbor	341,677,167	366,461,388	4,308,165	1.18%
South Jefferson	660,002,009	728,483,801	8,225,440	1.13%
South Lewis	682,969,684	718,740,191	9,101,819	1.27%
Thousand Islands	1,138,553,402	1,152,574,065	11,822,499	1.03%
Town of Webb	1,887,430,759	2,161,949,546	6,426,780	0.30%
Watertown	1,433,361,133	1,685,443,863 ⁽¹⁾	17,011,298	1.01%
Totals	\$ 12,287,412,119	\$ 13,607,558,133	\$ 118,350,789	

⁽¹⁾ Calculated using Regular State Equalization Rates.

Source: Most recent available Official Statement or Continuing Disclosure Statement of the school district.

BOARD of COOPERATIVE EDUCATIONAL SERVICES for

the SOLE SUPERVISORY DISTRICT of

JEFFERSON, LEWIS, HAMILTON, HERKIMER AND ONEIDA COUNTIES, NEW YORK

ACTUAL MONTHLY CASH FLOW

(General Fund)

(000's OMITTED)

2021-2022 CASHFLOW	2021 JULY	AUG	SEPT	OCT	NOV	DEC	2022 JAN	FEB	MAR	APR	MAY	JUNE	12 MONTH TOTAL
Beginning Balance:	\$ 3,117	\$ 2,873	\$ 4,417	\$ 7,391	\$ 5,552	\$ 5,235	\$ 5,077	\$ 6,090	\$ 6,218	\$ 8,565	\$ 8,796	\$ 8,908	\$ 3,117
Receipts:													
School Districts	1,107		5,177	7,461	5,276	4,972	4,364	5,514	5,907	5,389	5,410	5,410	55,987
State Aid			10,852					3,170				5,719	19,741
Other Programs	54	474	32	104	108	49	82	111	369	56	125	58	1,622
RAN Proceeds		6,037											6,037
From Federal Aid													-
Total Receipts	\$ 1,161	\$ 6,511	\$ 16,061	\$ 7,565	\$ 5,384	\$ 5,021	\$ 4,446	\$ 8,795	\$ 6,276	\$ 5,445	\$ 5,535	\$ 11,187	\$ 83,387
 Total Available Cash	 \$ 4,278	 \$ 9,384	 \$ 20,478	 \$ 14,956	 \$ 10,936	 \$ 10,256	 \$ 9,523	 \$ 14,885	 \$ 12,494	 \$ 14,010	 \$ 14,331	 \$ 20,095	 \$ 86,504
Disbursements:													
Payroll	1,074	1,047	1,635	3,174	2,229	3,219	2,257	2,281	2,258	3,109	2,270	4,443	28,996
RAN Payoff (inc. Int.)												6,051	6,051
District Aid			7,928	2,925	1,247			4,766				5,719	22,585
Advance to Funds													-
Current Obligations	331	3,920	3,524	3,305	2,225	1,960	1,176	1,620	1,671	2,105	3,153	714	25,704
Total Disbursements	\$ 1,405	\$ 4,967	\$ 13,087	\$ 9,404	\$ 5,701	\$ 5,179	\$ 3,433	\$ 8,667	\$ 3,929	\$ 5,214	\$ 5,423	\$ 16,927	\$ 83,336
Ending Balance:	\$ 2,873	\$ 4,417	\$ 7,391	\$ 5,552	\$ 5,235	\$ 5,077	\$ 6,090	\$ 6,218	\$ 8,565	\$ 8,796	\$ 8,908	\$ 3,168	\$ 3,168

BOARD of COOPERATIVE EDUCATIONAL SERVICES for
the SOLE SUPERVISORY DISTRICT of
JEFFERSON, LEWIS, HAMILTON, HERKIMER AND ONEIDA COUNTIES, NEW YORK

ESTIMATED MONTHLY CASH FLOW

(General Fund)

(000's OMITTED)

2022-2023 CASHFLOW	2022 JULY	AUG	SEPT	OCT	NOV	DEC	2023 JAN	FEB	MAR	APR	MAY	JUNE	12 MONTH TOTAL
Beginning Balance:	\$ 3,168	\$ 6,391	\$ 3,392	\$ 3,562	\$ 4,812	\$ 3,449	\$ 3,345	\$ 5,434	\$ 4,878	\$ 7,360	\$ 7,673	\$ 7,887	\$ 3,168
Receipts:													
School Districts			5,332	7,685	5,434	5,121	5,495	5,679	6,084	5,551	5,572	5,572	57,526
State Aid			8,578					3,340				6,883	18,801
Other Programs	60	500	45	140	123	51	94	130	395	70	132	50	1,790
RAN Proceeds	6,000												6,000
From Federal Aid													-
Total Receipts	\$ 6,060	\$ 500	\$ 13,955	\$ 7,825	\$ 5,557	\$ 5,172	\$ 5,589	\$ 9,149	\$ 6,479	\$ 5,621	\$ 5,704	\$ 12,505	\$ 84,117
Total Available Cash	\$ 9,228	\$ 6,891	\$ 17,348	\$ 11,386	\$ 10,370	\$ 8,621	\$ 8,934	\$ 14,583	\$ 11,357	\$ 12,981	\$ 13,378	\$ 20,392	\$ 87,285
Disbursements:													
Payroll	1,106	1,078	1,684	3,269	2,296	3,316	2,325	2,349	2,326	3,202	2,338	4,576	29,866
RAN Payoff (inc. Int.)												6,000	6,000
District Aid			8,578		2,400			5,736				6,883	23,597
Advance to Funds													-
Current Obligations	1,731	2,420	3,524	3,305	2,225	1,960	1,176	1,620	1,671	2,105	3,153	714	25,604
Total Disbursements	\$ 2,837	\$ 3,498	\$ 13,786	\$ 6,574	\$ 6,921	\$ 5,276	\$ 3,501	\$ 9,705	\$ 3,997	\$ 5,307	\$ 5,491	\$ 18,173	\$ 85,067
Ending Balance:	\$ 6,391	\$ 3,392	\$ 3,562	\$ 4,812	\$ 3,449	\$ 3,345	\$ 5,434	\$ 4,878	\$ 7,360	\$ 7,673	\$ 7,887	\$ 2,219	\$ 2,219

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the U.S. Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the BOCES has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access system of the MSRB or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the BOCES
- (m) the consummation of a merger, consolidation, or acquisition involving the BOCES or the sale of all or substantially all of the assets of the BOCES, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the BOCES, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the BOCES, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the BOCES, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the BOCES does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the BOCES in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the BOCES, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the BOCES.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The BOCES may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the BOCES determines that any such other event is material with respect to the Notes; but the BOCES does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The BOCES reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the BOCES no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The BOCES acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the BOCES’ obligations under its material event notices undertaking and any failure by the BOCES to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The BOCES reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the BOCES; provided that the BOCES agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

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**BOARD OF COOPERATIVE EDUCATIONAL SERVICES
FOR THE SOLE SUPERVISORY DISTRICT OF
JEFFERSON, LEWIS, HAMILTON, HERKIMER AND ONEIDA COUNTIES, NEW YORK**

**AUDITED FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2021**

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational Services
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June 30, 2021

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Independent Auditors' Report

Board of Education
Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of
Cooperative Educational Services

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational Services (BOCES) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise BOCES' basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

STACKEL & NAVARRA, C.P.A., P.C
CERTIFIED PUBLIC ACCOUNTANTS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2021 BOCES adopted new accounting guidance, GASB No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the BOCES' total OPEB liability and related ratios – last 4 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of BOCES contributions – NYSTRS & NYSERS pension plans – last 7 fiscal years, and the schedules of BOCES' proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 7 fiscal years on pages 4-18 and 54-57 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' basic financial statements. The schedule of change from adopted budget to final budget – general fund, analysis of account A431 school districts, schedule of project expenditures – capital projects fund, and net investment in capital assets 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 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

STACKEL & NAVARRA, C.P.A., P.C
CERTIFIED PUBLIC ACCOUNTANTS

The schedule of change from adopted budget to final budget – general fund, analysis of account A431 school districts, schedule of project expenditures – capital projects fund, net investment in capital assets and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 project expenditures – capital projects fund, net investment in capital assets and the schedule of expenditures of federal awards 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 7, 2021, on our consideration of Jefferson-Lewis-Hamilton-Herkimer-Oneida 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' internal control over financial reporting and compliance.

Stackel & Navarra, CPA, PC

Watertown, NY
October 7, 2021

**Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021**

The following is a discussion and analysis of the Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' (hereinafter referred to as "BOCES") financial performance for the fiscal year ended June 30, 2021. 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. This report will contain comparisons of data between the 2019-20 fiscal year and the 2020-21 fiscal year. This section is only an introduction and should be read in conjunction with the BOCES financial statements, which immediately follow this section. Responsibility for completeness and fairness of the information contained within these documents rests with the BOCES.

BOCES Overview/Highlights

A Board of Cooperative Educational Services (BOCES) is a voluntary, cooperative association of school districts that share planning, services, and programs to provide educational and support activities more economically, efficiently, and equitably than could be provided by an individual district. BOCES are organized under section 1950 of the Education Law.

The Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES is geographically the largest in New York State. It serves eighteen component districts, ranging in size from the Watertown City School District with almost four thousand students to Inlet Common, which has fewer than forty students.

The BOCES employs approximately 500 full and part time professional and support staff who work throughout the region in BOCES owned or leased buildings and in district classrooms and offices throughout the BOCES area.

BOCES earns the majority of its revenues by providing services to the component school districts, and in some cases, districts in surrounding areas (through cross contracts) or other municipalities. The NYS Education Department must approve each service or CoSer (cooperative service) before it can be offered. Each CoSer has its own budget, including revenues and expenditures and must be self-sustaining. The districts are charged based on a variety of methods that have been pre-approved by the State Education Department. They in turn may receive a variety of state aids for participation in the programs.

In addition to charges to districts and municipalities and some grant funds, revenues can be earned by departmental charges between programs for services one program may provide to another.

Charges for the coming school year are finalized, with few exceptions, in the spring of the preceding school year. Districts forward their initial requests in February and in May the BOCES receives the final program participation forms for the coming year. Adjustments, based upon the individual districts' needs are made throughout the year. Because BOCES revenues are derived primarily from tuitions charged to Districts and not from State Aid or from Tax Revenues, BOCES fiscal health depends primarily on participation rates. Tuitions are based on projected costs divided by projected enrollments. If either estimation is incorrect, program net revenues or expenditures will vary.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021

Jeff-Lewis BOCES has five primary divisions: Programs for Exceptional Students, Career and Technical Education Programs, Instructional Services, Instructional Support Services and Administrative Support Services (Other). During the past year, each program area served a different population and therefore experienced different fiscal impacts.

Programs for Exceptional Students and their associated support programs are still the largest division at the BOCES (22.3%), both in revenue and in staffing numbers. The total number of classes remained mostly stable. For the 2020-21 year, the BOCES operated three (3) Life Skills classes, two and ½ (2.5) 12:1 (Option II) classes, and ten (10) 12:1, 3:1 (Option IV) classrooms. The self-contained 6:1:1, 6:1:2, 8:1:1 (Option III) classes remained at twenty-two (22) classrooms. The number of Resource Rooms dropped to four (4). The Director continues to combine classrooms and services when possible but the large geographic area makes significant consolidation very difficult. Because these programs all have very high staff to student ratios, increased personnel costs have a profound impact on bottom line costs. The BOCES responds to School Districts requests. Additional requests for services for autistic children, have allowed BOCES to add programs and develop skills for this population. The Endeavor Program, an alternative education program for junior and high school students, was expanded in the Lewis County area due to the request of the schools that will support that program. A new program was started in 2017-18, PASS (Positive Academic and Social Supports) and was developed to provide individualized behavioral and academic interventions for students in grades 7-12 who have been unsuccessful in more traditional classroom settings. Students work closely with staff to develop an individualized behavior and academic intervention plan with the goal of returning to a less restrictive school setting. In 2017-18, a new Life Skills track was developed called "Moving Forward", which allows students an opportunity for career exploration, while developing social and job readiness skills in order to encourage greater participation in the community and workforce

The third largest division, Career and Technical Programs (18.7%), experienced a decrease in enrollment. As component school district enrollments change, it affects our enrollment in the Career and Technical Programs, and will need to be carefully monitored into future years. Some things that affect the component school enrollment include the deployment and return of Brigades from Ft. Drum. The movement of troops has an effect on their families and school age children that stay in the area or move back to their original homes. The current economic conditions of the country cause families to move where jobs are available. The fluctuation in Career and Technical enrollments may continue until the economy and military stability returns. In response to this trend, the BOCES moved to a 3-year average enrollment for billing purposes to assist districts in consistent budget forecasting.

Instructional Services and Support Programs continue to respond to the needs of our component schools. Offerings and program demands vary within these departments as the district's request service. The Race to the Top (RTTT) initiative had been a focus of planning in the instructional services department starting with the 2011-2012 year. 14 Districts assigned their funds to BOCES to create a Network Team to lead districts into the reform agenda to improve schools through the end of the 2013-2014 school year. In the spring of 2014, BOCES was awarded the "Strengthening Teacher and Leader Effectiveness (STLE)" grant for \$1.2 million dollars. These funds allowed the BOCES to sustain the initiatives of the RTTT funds in the 2014-15 school year. Although the RTTT funds have essentially dried up statewide, we continue to seek out regional grant opportunities. The BOCES has developed a grant writing service. Through a

**Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021**

regional Grants Advisory Committee, specific needs are identified for each region to maximize and target funding.

The second largest division is now the Administrative Support Services area (20.7%), as districts continue to increase participating in Hearing Officer, Benefits Coordination, and Energy (solar) Consortium related services to try to off-set the rising costs of these areas.

Overview of the Financial Statements

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

- The first two statements are 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, highlighting the BOCES' operations in more detail than the BOCES-wide statements. The fund financial statement concentrates on the BOCES' most significant funds with all other non-major funds listed in total in one column. There were no non-major funds for the year ended June 30, 2021.
- The governmental funds statements detail how basic services were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the BOCES acts solely as a trustee or agent for the benefit of others.

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

The following summarizes the major features of the BOCES's 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.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021

Major Features of the BOCES-Wide and Fund Financial Statements			
	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 scholarship programs and student activities' monies
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures, and Changes in Fund Balances	5. Statement of Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/ 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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two BOCES-wide statements report the BOCES' Net position and how they have changed. Net position – the difference between the BOCES' assets and liabilities – are one way to measure the BOCES' financial health or position.

- Over time, increases or decreases in the BOCES' Net position are an indication of whether its financial position is improving or deteriorating, respectively.

**Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021**

- To assess the BOCES's overall health, you need to consider additional nonfinancial factors such as changes in the BOCES' demographics and the condition of the facilities.

In the BOCES-wide financial statements, the BOCES' activities are shown as follows: Governmental activities: Most of the BOCES' basic services are included here, such as general and special education, instructional services, administration, non-instructional services and support services. Charges and tuitions to component school districts finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The BOCES establishes other funds to control and to manage money for particular purposes or to show that it is properly using certain revenues such as Federal grants.

The BOCES has two kinds of funds:

Governmental Funds: Most of the BOCES' basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year end that are available for spending (returning to the component districts). These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. 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. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled at the bottom of the governmental funds statements.

Reporting the BOCES as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the case of the BOCES, liabilities exceeded assets by \$84,911,442 at the close of the most recent fiscal year. The total Net position has decreased from the prior year by \$9,788,804. The Impact of the Governmental Accounting Standards Board Standards No. 75 and No. 68 will continue to be reflected in the total net position. The Standards provide for the accounting and financial reporting by employers for post-employment benefits. The BOCES engaged the services of an actuary to value the post-employment benefits. The valuation has not been applied retroactively. The annual required contribution has been recorded as a long term liability. Additional information is available in Note 12 of the financial statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021

The largest portion of the BOCES's Net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The BOCES uses capital assets to provide services; consequently, these assets are not available for future spending. Although the BOCES's 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. BOCES had \$1,833,637 in capital related debt at the close of June 30, 2021.

The following schedule summarizes the BOCES's Net position. The complete Statement of Net position can be found in the BOCES's basic financial statements on pages 20-21.

Condensed Statement of Net Position		
	June 30, 2020	June 30, 2021
Cash and cash equivalents	\$ 13,939,563	\$ 11,984,315
Receivables	18,379,693	12,818,501
Capital assets, net	18,690,030	28,955,073
Net pension asset - proportionate share	<u>2,261,499</u>	<u>-</u>
Total Assets	<u>53,270,785</u>	<u>53,757,889</u>
Pensions	13,135,049	14,551,459
OPEB (GASB 75)	<u>12,563,818</u>	<u>47,600,633</u>
Total deferred outflows of resources	<u>25,698,867</u>	<u>62,152,092</u>
Payables	23,009,074	17,384,668
Unearned credits	-	-
Long-term liabilities	<u>127,606,268</u>	<u>175,289,257</u>
Total liabilities	<u>150,615,342</u>	<u>192,673,925</u>
Pensions	3,476,948	8,147,498
OPEB (GASB 75)	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,476,948</u>	<u>8,147,498</u>
Invested in capital assets, net of debt	18,492,232	27,121,436
Restricted	2,539,738	2,343,478
Unrestricted	<u>(96,154,608)</u>	<u>(114,376,356)</u>
Total net position	<u>\$ (75,122,638)</u>	<u>\$ (84,911,442)</u>

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
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In general, current assets are those assets that are available to satisfy current obligations and current liabilities are those liabilities that will be paid within one year. The majority of BOCES current receivables, \$12.6 million, consist of BOCES aid due from the State and payable to the Districts. This will be forwarded to the districts based upon the aid ratio of the programs in which they participated.

The increase in long-term liabilities is reflective of the postemployment benefits recorded in accordance with the GASB No. 75 regulation, and the addition of an Energy Performance Contract. The decrease in Unrestricted Assets is attributable to the effect of the GASB Standard No. 75 and GASB No. 68.

The Statement of Activities shows the cost of program services net of charges for the services and grants offsetting those services. The complete Statement of Activities can be found in the BOCES' basic financial statement. Total revenues including charges for services, investment earnings, and unrestricted state and federal grants must support the net cost of the BOCES' programs.

Condensed Statement of Activities

The Statement of Activities shows the cost of program services net of charges for the services and grants offsetting those services. The complete Statement of Activities can be found in the BOCES' basic financial statement. Total revenues, including charge for service, investment earnings, and unrestricted state and federal grants must support the net cost of the BOCES' programs.

<u>Programs</u>	For Year Ending June 30, 2020			For Year Ending June 30, 2021		
	<u>Expenses</u>	<u>Revenues</u>	<u>Net</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Net</u>
Admin	\$ 3,809,515	\$ 4,504,502	\$ 694,987	\$ 4,965,648	\$ 4,400,337	\$ (565,311)
Admin - Capital	-	12,997,961	12,997,961	-	6,923,084	6,923,084
C & T	10,405,374	11,432,174	1,026,800	15,398,782	11,596,211	(3,802,571)
PES	14,339,879	14,765,245	425,366	20,551,501	13,231,725	(7,319,776)
It. Services	4,053,492	4,175,019	121,527	5,949,648	3,955,500	(1,994,148)
Gen. Inst.	2,274,925	2,333,953	59,028	2,333,238	1,602,161	(731,077)
Inst. Supp	9,599,387	9,748,099	148,712	10,202,766	7,763,506	(2,439,260)
Other Serv.	<u>11,613,357</u>	<u>11,471,911</u>	<u>(141,446)</u>	<u>13,058,223</u>	<u>12,258,829</u>	<u>(799,394)</u>
Total	<u>56,095,929</u>	<u>71,428,864</u>	<u>15,332,935</u>	<u>72,459,806</u>	<u>61,731,353</u>	<u>(10,728,453)</u>
General Revenues						
Use of Money/property		108,747			21,279	
Sale of Property		11,725			15,201	
Misc.		<u>1,153,866</u>			<u>1,973,459</u>	
Total		<u>1,274,338</u>			<u>2,009,939</u>	
Return of surplus unpaid		(2,873,762)			<u>(1,071,693)</u>	
Change in Net Position		\$ 13,733,511			\$ (9,790,207)	

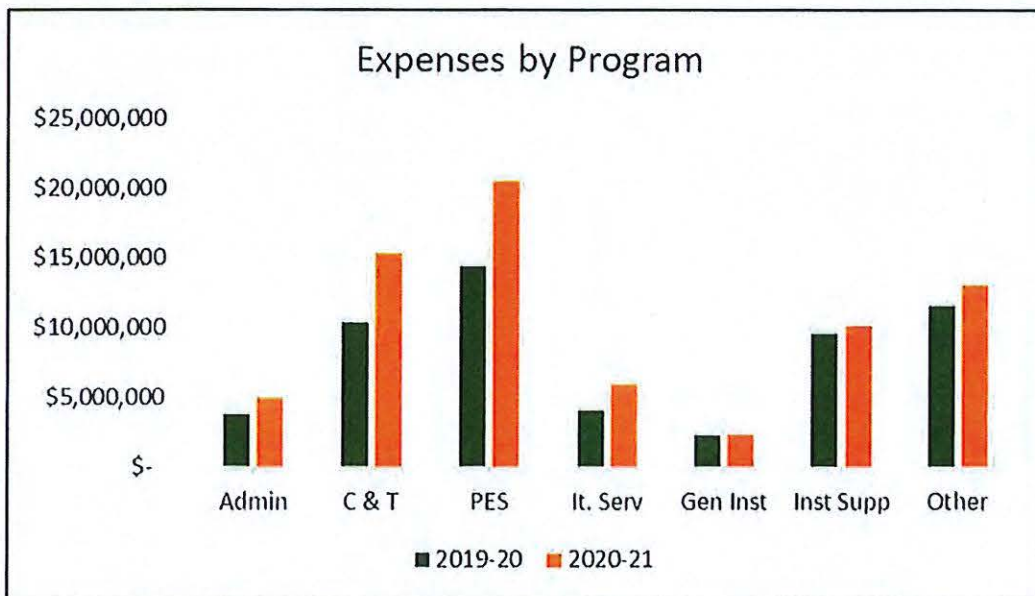
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The effect of the accrued post-retirement benefits is evident throughout the budgetary categories when comparing the two fiscal years. The impact of GASB No. 75 and No. 68 will continue to be felt in the future years as the total long-term liability is transferred to the operating balance sheet. The State of New York has not created provision for a funding mechanism for this obligation.

A further breakdown of the revenues would show that of the Charges for services, 97.2% are paid by our components (school districts within our BOCES) and the rest by cross contracts to other BOCES or by charges for services provided to other municipalities.

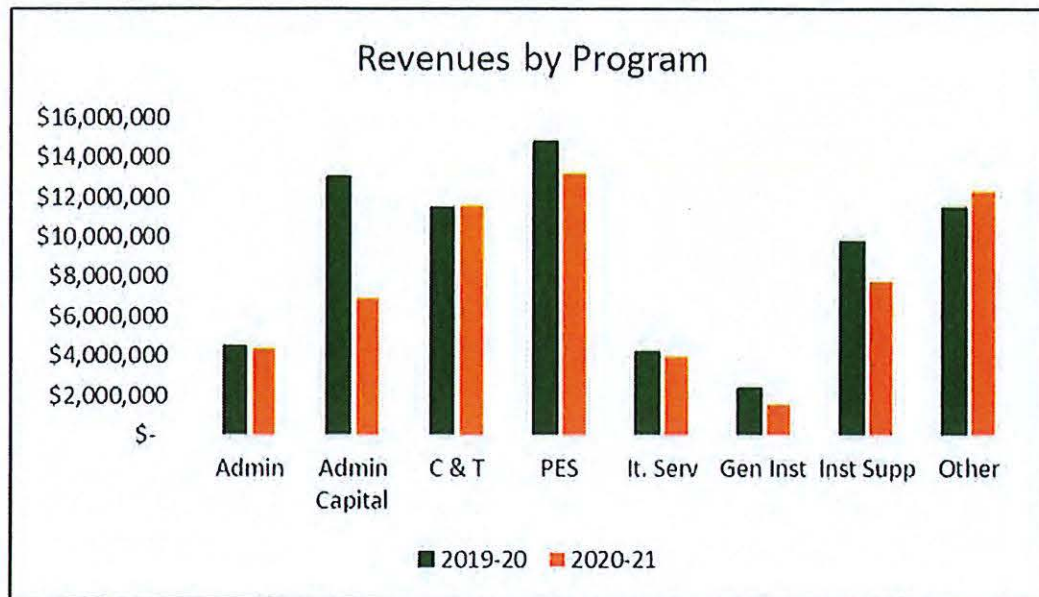
The BOCES Capital Project began in February 2020 and each component district began paying their portion of the project during that month as well.

Total expenses for the current year increased by \$16,363,877 or 29%. The majority of that increase across all programs was due to the large increase in other postemployment benefits payable. The remaining increase was primarily represented in the Programs for Exceptional Students and Career & Technical Education service area expenses, due to an increase in costs to provide services due to the COVID 19 pandemic. All other areas showed increases in expenses due to increased costs to provide services in those CoSer areas, undoubtedly related to the pandemic as well.



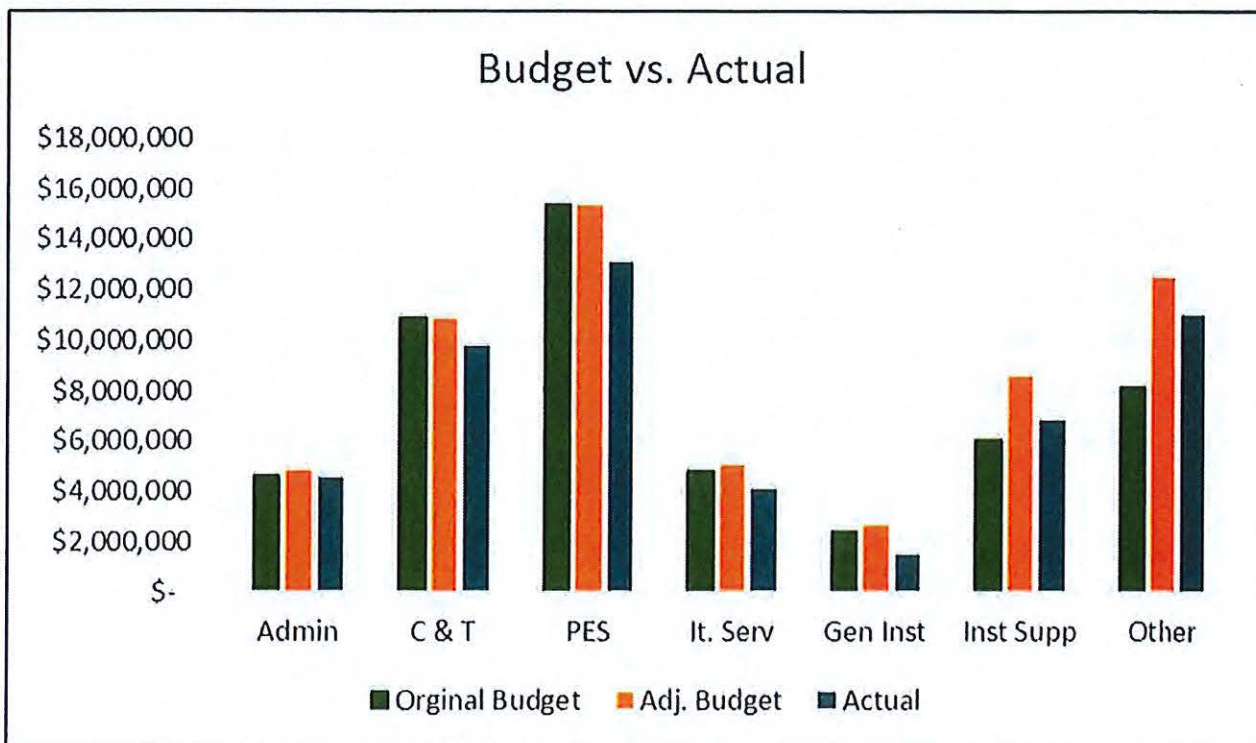
Revenues decreased overall by \$9,697,511 or 13.6%. The majority of that decrease was realized in “Admin Capital” services, due to the Capital Project winding down. The remaining decrease was primarily in Programs for Exceptional Students services, due to a decline in enrollments due to the COVID 19 pandemic. All other services saw decreases as well, again undoubtedly related to the pandemic, as districts held onto funds with the uncertainty of state/federal funding and their own increases in costs relating to the pandemic and teaching remotely.

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General Fund Budgetary Highlights

The budget is developed primarily on projected enrollments and participation levels anticipated by the component districts. As their need for services change throughout the year, adjustments to the budget are made reflecting these requests.



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All departments saw an increase in adjusted budgets due to increased requests and costs for providing services. Budgets were also impacted by the March 2020 closure of area schools and the BOCES due to the COVID 19 pandemic, and transition to remote service delivery throughout the 2020-2021 school year. The actual budget for both the Instructional Support and "Other" service areas increased over original budget due to increased request for services from districts in those areas (i.e. increased delivery of online instructional content for students).

Variances between original budget and actual expenditures will continue to occur as BOCES responds to changes in requests by the Districts.

More detailed information about the BOCES' General Fund budget is presented in the Statement of Revenues, Expenditures, and Changes in Fund Equity – Budget and Actual on page 55.

Analysis of the BOCES' Funds

General Fund

New COSERS were introduced during the 2020-21 school year, and continue to be in response to the decline in state aid to school districts. These COSERS provide functionality for the SAMS system, a State Aid Management System required by the State Education Department to file BOCES data and state aid figures. This system requires all cross-contracted COSERS to have a unique COSER number, apart from our COSER numbers. These services have been requested by our component districts in the past and show this year with unique numbers, to accommodate the new reporting requirements.

Special Aid Fund

Although there are several grants administered through this fund the following are the most volatile and involve most directly the component districts.

The BOCES was one of 12 Regional Partnership Centers established in the 2019-20 school year to serve as the Lead Educational Agency (LEA) for the Office of Special Education (OSE) Education Partnership funding. The BOCES Education Partnership Center administers and services the Jefferson Lewis Hamilton Herkimer Oneida BOCES, Madison Oneida BOCES, Onondaga Herkimer Madison BOCES and Herkimer BOCES regions. The Regional Partnership Centers will focus their efforts on improving the infrastructure of districts/programs to be successful in implementing evidence-based practices and provide meaningful engagement with students and families. The Educational Partnership funding replaces the RSE-TASC program/grant that BOCES was the LEA of formerly.

The Carl D. Perkins Career and Technical Education Improvement Act Grant is administered through the Career & Technical Programs' Office. The Vocational and Technical Education Act of 2006 (formerly VATEA) funds are used primarily for the purchase of equipment and for curriculum development as more programs are approved to offer academic credit. The Federal legislation renewing these funds has been reauthorized for the next several years.

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On March 27, 2020, Congress passed, and the President signed into law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act created an Education Stabilization Fund (ESF) to prevent, prepare for and respond to the coronavirus, under which the Elementary and Secondary School Emergency Relief (ESSER) funds to support the ability of local educational agencies (LEAs), and the Governor's Emergency Education Relief (GEER) funds for the purpose of providing educational agencies with emergency assistance to address the impact of COVID-19 were established. On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act). The CRRSA Act provided additional support under both the ESSER and GEER funds. On March 11, 2021, the President signed into law the American Rescue Plan Act of 2021 (ARP). New York State has been allocated nearly \$9 billion in ARP Elementary and Secondary School Emergency Relief (ESSER) funds. Although none of the ESSER or GEER funding was allocated directly to the BOCES, the Adult Education program was eligible under the Higher Education Emergency Relief Fund of the Acts, and received funding to not only assist with the costs associated with the coronavirus pandemic, but also to offset the loss of revenue in these program areas.

Capital Asset and Debt Administration

The financial statements provide a picture of capital assets over time. These include land, buildings, equipment and furniture. Purchases throughout the year of equipment and furniture and the costs of building renovation projects increase the capital assets of the BOCES. They are in turn decreased by sale of assets and depreciation. In the 2018-19 fiscal year, there was an increase in buildings and improvements with the purchase of the Boak Education Center building in Lowville, NY.

No additional capital projects are anticipated other than renovation and safety repairs on existing owned or leased structures. The current capital programs are addressing data and facility security and power needs in the administrative building on the Watertown campus. Additional programs address specific program safety, environmental and maintenance issues and are funded under the regular operation and maintenance portion of the budget. The BOCES received voter approval on March 7, 2018 to move forward with a \$20,000,000 capital project to upgrade the mechanical, electrical and security systems throughout the buildings on all BOCES campuses, to include the newly owned Boak Education Center in Lowville, NY. Construction began in February of 2020 and contractors were able to escalate the original schedule due to the closing of the BOCES facilities in response to the COVID 19 pandemic and statewide closure of schools and in-person instruction.

	Balance	2021	2021	Balance
	<u>June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>
Land	\$ 246,097	\$ -	\$ -	\$ 246,097
Buildings & Improvements	21,606,293	117,400		21,723,693
Machinery and Equipment	4,855,870	346,217	235,345	4,966,742
Construction WIP	<u>6,508,843</u>	<u>10,554,188</u>		<u>17,063,031</u>
Less Accumulated Depreciation	<u>14,527,073</u>	<u>739,629</u>	<u>222,212</u>	<u>15,044,490</u>
Net Capital Assets	<u>\$ 18,690,030</u>	<u>\$ 10,278,176</u>	<u>\$ 13,133</u>	<u>\$ 28,955,073</u>

**Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021**

Long-Term Debt

In the 2013-14 school year, the BOCES entered into a 5-year lease with the St. Peter's Church of Lowville, NY for the school building located on their property. The intended use of the building is to house the Alternative Education programs provided to the students in the Lewis, Hamilton, Herkimer and Oneida Counties. The lease allowed the BOCES to purchase the building at the end of the lease. The BOCES obtained voter approval in the March, 2018 school year to purchase the building per the agreement, at no additional cost, and the lease was satisfied as of June 30, 2018, and the building is now owned by the BOCES.

In the 2018-19 school year, the BOCES entered into an installment purchase debt agreement for the purchase of servers. The balance as of June 30, 2021 is \$99,543.

In the 2020-21 school year, the BOCES entered into a 15-year Energy Performance Contract agreement. The annual payment is projected at \$181,284 and the balance as of June 30, 2021 is \$1,734,094.

Factors Bearing on the BOCES' Future

This section contains a description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Changes in legislation regarding school finance

The current economic conditions of New York State, the nation and the world continue to be a concern for education. The Congress, Senate and President Obama enacted the American Recovery and Reinvestment Act of 2009. This plan provided funds to stimulate the economy by creating and saving jobs. The funding from the ARRA program ended during the 2011-2012 school year. The current COVID 19 pandemic and overall climate of Albany and the New York State budget performance for 2021 clouds the outlook for the 2022 budget and beyond. A large portion of the budgets of our component districts is funded by aid to education from the State of New York. As a BOCES, we provide services to our component districts. If our components are not receiving increased funding from the State, their service requests may be reduced to necessity items only, or may force many school districts to consolidate and share services. The CARES Act, CRRSA Act, and ARP ESSER funds will support the districts through the 2023-24 year, however, there are concerns that a funding cliff will then be created in 2024. This situation will be monitored closely, as the governments lead the State and Nation through this crisis.

The impact caused by the CFE lawsuit is being felt, and a new lawsuit has been filed against the Governor and State Legislators for failure to provide an equitable funding mechanism for public schools. The Governor did propose and the Legislature approved aid to education for the 2020-21 school year. Districts continue to contend with the Property Tax Cap as part of the Chapter 97 of the NYS Laws of 2011. The current State and Federal financial issues, as previously discussed, will continue to have an impact on the predicted aid to education.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021

Expected budgetary impacts

The current State economic outlook is uncertain at this time. As our component school districts feel the effects due to the change in education aid payable, BOCES will also feel these effects. This is due to the fact that almost all of our revenue for services comes from our component districts.

The fiscal impact of the adoption of the Comptrollers Five Point Plan continues to be an unfunded mandate. The first change was the mandated State Audit of all districts and BOCES within five years. The Jeff Lewis BOCES has been audited as part of the NYS Comptroller's Audit process. The audit report has been filed in the district and accepted by the Board of Education. An RFP for external auditor services has been implemented as the second requirement of the Comptroller's Five Point Plan. Districts and BOCES began to provide a six-hour in-service program to all School Board members in their first year of a term. The program includes instruction on school fiscal management and Board responsibilities. The BOCES Board of Education has been established as the Audit Committee. Beginning with the 2006-07 year, each district must establish and implement the position of internal auditor. As a mandate relief measure in the 2013-14 State Budget, Subdivision 2 of section 2116-b of the Education Law was amended to exempt school districts with less than eight teachers, or actual general fund expenditures totaling less than \$5 million in the previous school year, or actual enrollment of less than 1,500 students in the previous school year from the requirement to establish or maintain an internal audit function. The statute requires that school districts and BOCES certify to the Commissioner annually that they are eligible for this mandate relief. The Jefferson Lewis BOCES was eligible for the exemption for the 2015-2016 school year and beyond. As such, the Audit Committee took action in August, 2013 to perform an internal audit every 3 years.

Personnel cost i.e. salaries and benefits continue to increase. As a member of our self-funded health insurance plan, BOCES and the member districts are continuously looking at cost containment measures. A committee has been formulated to look at wellness programs to assist containment of future cost increases. The escalating number of retirees and their resulting health care costs is one of the most significant impacts for our future budgets. Pension rates for the Employees Retirement System and for the Teachers' Retirement System are projected to decrease or maintain rates over the next year, although the overall pension costs for the BOCES continues to rise.

BOCES' contracts with the BOCES Professional Association (BPA) and the Civil Service Employees Association (CSEA) were settled as of June 30, 2021. The contract with the BOCES Support Staff Association (BSSA) expired as of June 30, 2021, and negotiations are ongoing.

Enrollment

Career, Technical, Adult and Continuing Education

The enrollment of secondary students in the Career and Technical Centers decreased during the past year. Districts are now charged based on their 3-year actual enrollment. It is anticipated that the new billing method will help Districts to be able to budget more consistently. As the cost of going to college rises, the need for an immediate source of income for high school graduates' increases, programing at both centers will hopefully attract students into the new offerings.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021

Charles H. Bohlen, Jr. Technical Center

BTC Student Enrollment	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Secondary Students	783	770	763	791	820	837	811	765	786	748
Special Education	244	230	230	188	229	201	228	266	263	259
Alternative High School & Endeavor Diploma Based	18	6	7	6	7	2	5	4	4	4
Adult (Day & Eve Ctr, For B/Industry) 2017-18 Day Adults only	184	183	183	206	175	231	163	11	5	1

Howard G. Sackett Technical Center

HGSTC Student Enrollment	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Secondary Students	390	369	318	309	312	317	296	290	294	312
Special Education	100	102	102	74	69	79	86	94	94	107
Alternative High School	10	7	13	7	1	0	0	5	5	6
Adult (Day & Eve Ctr, For B/Industry)	20	15	23	17	27	14	28	6	5	3

Programs for Exceptional Students

Overall, the Programs for Exceptional Students (PES) Department programs saw a decline in enrollments. The coronavirus pandemic forced many component school districts to provide remote instruction, which heavily impacted the BOCES ability to provide services to students in these program areas. The component districts continue to examine their programs and are providing more district operated instruction to students wherever possible. Districts continue to ask the Programs for Exceptional Students Department to develop programs to meet the needs of more specialized students like autism.

PES continues to run a Life Skills program started in 2017-18 called "Moving Forward". The program allows students with disabilities in grades 9-12 with an opportunity for career exploration, while developing social and job readiness skills in order to encourage greater participation in the community and workforce. There have also been some associated increases in Related Services to students attending district operated programs, and related services to students attending BOCES operated classrooms have maintained their participation rates or decreased slightly.

Comparison of the # of Classrooms/Program	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Life Skills special classes	2	1	1.5	1.5	1	1.5	1.5	2	2	3
15:1, 15:1+1 special classes	0	0	0	0	1	1	1	1	1	0
12:1+1 special classes	6	7	7	7.5	4.5	3.5	3.5	2.5	2.5	2.5
8:1+1, 6:1+1, 6:1+2 special classes	26	23	23	23	22	22	23	22	22	22
12:1+(3:1) special classes	7	7	7	7	7	8	9	10	10	10
Resource Rooms	11.5	10.5	11	10	7.5	6	6	6	6	4
Endeavor	6.8	7.4	7	7.4	7	6	6	6	6	7

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Management's Discussion and Analysis
June 30, 2021

Program Enrollment	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Life Skills, Moving Forward	13	13	17	26	24	27	24	29	24	16
15:1, 15:1+1 special classes	0	0	0	0	8	13	12	9	11	0
12:1+1 special classes	69	70	66	66	36	36	42	20	20	21
8:1+1, 6:1+1, 6:1+2 special classes	151	163	128	145	130	129	207	140	135	129
12:1+(3:1) special classes	70	61	75	86	85	87	111	102	84	83
Resource Rooms	217	201	180	187	134	129	132	132	98	73
Endeavor	43	37	32	30	34	32	32	33	29	18
TOTAL	563	545	498	540	451	453	560	465	401	340

Decisions to eliminate current programs or start new ones

Each program or CoSer is evaluated on an annual basis for fiscal soundness. Career & Technical Programs are expected to carry, at a minimum – 10 students for each session (a.m., p.m.). In general, programs are given up to three years to become fiscally solvent. Promotions, curriculum modifications and in servicing are all provided before a program is abandoned. Staffing adjustments are made annually based on enrollments.

Although numbers have decreased in Programs for Exceptional Student Programs, all programs and services are expected to continue but with decreasing staffing as needed.

Construction Programs

The current capital programs are addressing data and facility security and power needs in the administrative building on the Watertown campus. Additional programs address specific program safety, environmental and maintenance issues and are funded under the regular operation and maintenance portion of the budget.

The BOCES received voter approval on March 7, 2018 to move forward with a \$20,000,000 capital project to upgrade the mechanical, electrical and security systems throughout the buildings on all BOCES campuses, to include the newly owned Boak Education Center in Lowville, NY. Construction began in February, 2020 and is expected to be completed in the Spring, 2022.

Contacting the BOCES' Financial Management

The financial report is designed to provide the BOCES' component districts' taxpayers, customers, investors, and creditors with a general overview of the BOCES' finances and to demonstrate the BOCES' accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES, 20104 State Route 3, Watertown, New York 13601

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Statement of Net Position
Governmental Activities
June 30, 2021

Statement #1

ASSETS

Cash

Unrestricted	\$ 9,143,067
Restricted	2,291,950
Escrow funds - energy performance contract	549,298

Receivables

State and federal aid	12,614,802
Due from other governments	18,355
Other	185,344

Land, buildings and equipment (net)	<u>28,955,073</u>
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Total Assets	<u>\$ 53,757,889</u>
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DEFERRED OUTFLOW OF RESOURCES

Pensions	\$ 14,551,459
Other postemployment benefits	<u>47,600,633</u>

Total Deferred Outflows of Resources	<u>\$ 62,152,092</u>
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LIABILITIES

Accounts payable	\$ 1,619,183
Accrued liabilities	247,834
Deferred revenue	255,431
Other liability - Cares Act	581,852
Due to other governments	44,859
Due to teachers' retirement system	1,595,715
Due to employees' retirement system	274,234
Due to school districts	12,765,560

Long-term liabilities

Due and payable within one year	
Installment purchase debt	99,543
Energy performance contract	81,741
Due and payable after one year	
Compensated absences payable	941,154
Energy performance contract	1,652,353
Other postemployment benefits payable	170,084,149
Net pension responsibility-proportionate share	<u>2,430,317</u>

Total Liabilities	<u>\$ 192,673,925</u>
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Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Statement of Net Position
Governmental Activities
June 30, 2021

DEFERRED INFLOW OF RESOURCES

Pensions	\$ 8,147,498	
Total Deferred Inflows of Resources		<u>\$ 8,147,498</u>

NET POSITION

Net investment in capital asset	\$ 27,121,436	
Restricted		
Other legal restrictions	2,343,478	
Unrestricted	<u>(114,376,356)</u>	
Total Net Position		<u>\$ (84,911,442)</u>

See Notes to Financial Statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Statement of Activities and Changes in Net Position
Governmental Activities
For the Year Ended June 30, 2021

Statement #2

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>
FUNCTIONS/PROGRAMS				
Administration	\$ 4,965,648	\$ 4,400,337	\$ -	\$ (565,311)
Administration - Capital	-	6,923,084		6,923,084
Career and technical programs	15,398,782	11,098,291	497,920	(3,802,571)
Programs for exceptional students	20,551,501	13,231,725	-	(7,319,776)
Itinerant services	5,949,648	3,955,500	-	(1,994,148)
General instruction	2,333,238	1,414,678	187,483	(731,077)
Instruction support	10,202,766	5,921,210	1,842,296	(2,439,260)
Other services	13,058,223	12,258,829	-	(799,394)
 Total Functions and Programs	 <u>\$ 72,459,806</u>	 <u>\$ 59,203,654</u>	 <u>\$ 2,527,699</u>	 <u>(10,728,453)</u>
 GENERAL REVENUES				
Use of money and property				\$ 21,279
Sale of property and compensation for loss				15,201
Miscellaneous				<u>1,974,862</u>
 Total General Revenues				 <u>2,011,342</u>
 Other sources and uses:				
Refund of surplus unpaid				(1,071,575)
Close inactive CoSers				<u>(118)</u>
 Total Other Sources and Uses				 <u>(1,071,693)</u>
 Change in Net Position				 (9,788,804)
 Total Net Position - Beginning of year, as restated				 <u>(75,122,638)</u>
 Total Net Position - End of year				 <u>\$ (84,911,442)</u>

See Notes to Financial Statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Balance Sheet
Governmental Funds
June 30, 2021

Statement #3

	General	Special Aid	Legal Services	Adult Education	Capital	Miscellaneous Special Revenue	Energy Management Services	Total Governmental Funds
ASSETS								
Cash and cash equivalents								
Unrestricted	\$ 3,680,551	\$ 8,593	\$ 61,434	\$ 1	\$ 5,392,488	\$ -	\$ -	\$ 9,143,067
Restricted	2,270,538	-	-	-	-	21,412	-	2,291,950
Receivables								
Due from other funds	1,160,830	-	68,029	17,428	-	-	6,357	1,252,644
State and Federal aid	10,893,045	1,028,316	-	693,441	-	-	-	12,614,802
Due from other governments	10,073	-	-	8,282	-	-	-	18,355
Other	58,908	-	2,381	9,937	-	-	114,118	185,344
Total Assets	\$ 18,073,945	\$ 1,036,909	\$ 131,844	\$ 729,089	\$ 5,392,488	\$ 21,412	\$ 120,475	\$ 25,506,162
LIABILITIES								
Accounts payable	\$ 365,221	\$ 163,767	\$ 297	\$ 10,356	\$ 995,388	\$ -	\$ 84,154	\$ 1,619,183
Accrued liabilities	226,978	-	-	20,856	-	-	-	247,834
Deferred revenue	237,613	-	-	-	-	-	17,818	255,431
Due to other funds	136,209	842,816	-	260,253	-	-	13,366	1,252,644
Other liability - CARES Act	-	-	-	581,852	-	-	-	581,852
Due to other governments	15,689	28,456	-	-	-	-	714	44,859
Due to Teachers' Retirement System	1,595,715	-	-	-	-	-	-	1,595,715
Due to Employees' Retirement System	274,234	-	-	-	-	-	-	274,234
Due to school districts	12,765,560	-	-	-	-	-	-	12,765,560
Total Liabilities	15,617,219	1,035,039	297	873,317	995,388	-	116,052	18,637,312
FUND BALANCES								
Restricted	2,343,478	-	-	-	-	-	-	2,343,478
Unassigned	-	-	-	(144,228)	-	-	-	(144,228)
Assigned	113,248	1,870	131,547	-	4,397,100	21,412	4,423	4,669,600
Total Fund Balances	2,456,726	1,870	131,547	(144,228)	4,397,100	21,412	4,423	6,868,850
Total Liabilities and Fund Balances	\$ 18,073,945	\$ 1,036,909	\$ 131,844	\$ 729,089	\$ 5,392,488	\$ 21,412	\$ 120,475	\$ 25,506,162

See Notes to Financial Statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2021

Statement #3A

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Assets Totals
ASSETS				
Cash				
Unrestricted	\$ 9,143,067	\$ -	\$ -	\$ 9,143,067
Restricted	2,291,950	-	-	2,291,950
Escrow funds - energy performance contract	-	549,298	-	549,298
Receivables				
Due from other funds	1,252,644	-	(1,252,644)	-
State and Federal aid	12,614,802	-	-	12,614,802
Due from other governments	18,355	-	-	18,355
Other	185,344	-	-	185,344
Land, buildings and equipment (net)	-	28,955,073	-	28,955,073
	-	-	-	-
Total Assets	<u>\$ 25,506,162</u>	<u>\$ 29,504,371</u>	<u>\$ (1,252,644)</u>	<u>\$ 53,757,889</u>
DEFERRED OUTFLOW OF RESOURCES				
Pensions	\$ -	\$ 14,551,459	\$ -	\$ 14,551,459
OPEB (GASB 75)	-	47,600,633	-	47,600,633
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 62,152,092</u>	<u>\$ -</u>	<u>\$ 62,152,092</u>
LIABILITIES				
Accounts payable	\$ 1,619,183	\$ -	\$ -	\$ 1,619,183
Accrued liabilities	247,834	-	-	247,834
Deferred revenue	255,431	-	-	255,431
Due to other funds	1,252,644	-	(1,252,644)	-
Other liability - CARES Act	581,852	-	-	581,852
Due to other governments	44,859	-	-	44,859
Due to Teachers' Retirement System	1,595,715	-	-	1,595,715
Due to Employees' Retirement System	274,234	-	-	274,234
Due to school districts	12,765,560	-	-	12,765,560
Long-term liabilities				
Due and payable within one year				
Installment purchase debt	-	99,543	-	99,543
Energy performance contract	-	81,741	-	81,741
Due and payable after one year				
Compensated absences payable	-	941,154	-	941,154
Installment purchase debt	-	-	-	-
Energy performance contract	-	1,652,353	-	1,652,353
Other postemployment benefits payable	-	170,084,149	-	170,084,149
Net pension responsibility-proportionate share	-	2,430,317	-	2,430,317
Total Liabilities	<u>\$ 18,637,312</u>	<u>\$ 175,289,257</u>	<u>\$ (1,252,644)</u>	<u>\$ 192,673,925</u>
DEFERRED INFLOW OF RESOURCES				
Pensions	-	8,147,498	-	8,147,498
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 8,147,498</u>	<u>\$ -</u>	<u>\$ 8,147,498</u>
TOTAL FUND BALANCE / NET POSITION				
Total Fund Balance/Net Position	<u>\$ 6,868,850</u>	<u>\$ (55,125,032)</u>	<u>\$ (36,655,260)</u>	<u>\$ (84,911,442)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	<u>\$ 25,506,162</u>	<u>\$ 128,311,723</u>	<u>\$ (37,907,904)</u>	<u>\$ 115,909,981</u>

See Notes to Financial Statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

Statement #4

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	General	Special Aid	Legal Services	Adult Education	Capital	Miscellaneous Special Revenue	Energy Management Services	Total Governmental Funds
REVENUES								
Charges for services	\$ 47,809	\$ -	\$ -	\$ 549,175	\$ -	\$ -	\$ -	\$ 596,984
Charges for components	56,379,795	-	-	-	-	-	-	56,379,795
Charges to other BOCES	1,578,941	-	-	-	-	-	-	1,578,941
Use of money and property	15,486	-	-	-	5,793	-	-	21,279
Sale of property and compensation for loss	15,201	-	-	-	-	-	-	15,201
Miscellaneous	837,077	469,749	231,500	16,586	-	1,404	1,066,480	2,622,796
State sources	-	275,971	-	88,885	-	-	-	364,856
Federal sources	-	1,765,179	-	397,664	-	-	-	2,162,843
Total Revenues	58,874,309	2,510,899	231,500	1,052,310	5,793	1,404	1,066,480	63,742,695
EXPENDITURES								
Administration	4,541,259	-	-	-	-	-	-	4,541,259
Career and technical programs	9,756,302	198,854	-	740,026	-	-	-	10,695,182
Programs for exceptional students	13,077,644	469,738	-	-	-	-	-	13,547,382
Itinerant services	4,084,607	-	-	-	-	-	-	4,084,607
General instruction	1,528,816	-	-	187,483	-	-	-	1,716,299
Instruction support	6,864,304	1,842,296	-	-	-	-	-	8,706,600
Other services	11,026,718	-	221,419	-	-	750	1,080,645	12,329,532
Capital Outlay	-	-	-	-	9,119,392	-	-	9,119,392
Total Expenditures	50,879,650	2,510,888	221,419	927,509	9,119,392	750	1,080,645	64,740,253
Excess (Deficiency) of Revenues Over Expenditures	<u>7,994,659</u>	<u>11</u>	<u>10,081</u>	<u>124,801</u>	<u>(9,113,599)</u>	<u>654</u>	<u>(14,165)</u>	<u>(997,558)</u>
OTHER FINANCING SOURCES AND USES								
Operating Transfers In	-	-	-	-	6,923,084	-	-	6,923,084
Operating Transfers Out	(6,923,084)	-	-	-	-	-	-	(6,923,084)
Total Other Financing Sources (Uses)	<u>(6,923,084)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,923,084</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>1,071,575</u>	<u>11</u>	<u>10,081</u>	<u>124,801</u>	<u>(2,190,515)</u>	<u>654</u>	<u>(14,165)</u>	<u>(997,558)</u>
OTHER CHANGES IN FUND BALANCE								
Refund of surplus unpaid	(1,071,575)	-	-	-	-	-	-	(1,071,575)
Reserve for retirement contributions	49,970	-	-	-	-	-	-	49,970
Reserve for Employee Benefits Accrued Liability	6,714	-	-	-	-	-	-	6,714
Reserve for advanced technical equipment	(252,944)	-	-	-	-	-	-	(252,944)
Close inactive CoSers	-	(118)	-	-	-	-	-	(118)
Plus encumbrances, ending	113,248	-	-	-	-	-	-	113,248
Less encumbrances, beginning	(289,069)	-	-	-	-	-	-	(289,069)
Total Other Changes in Fund Balance	<u>(1,443,656)</u>	<u>(118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,443,774)</u>
Net Change in Fund Balance	(372,081)	(107)	10,081	124,801	(2,190,515)	654	(14,165)	(2,441,332)
Fund Balance - Beginning of year, as restated	2,828,807	1,977	121,466	(269,029)	6,587,615	20,758	18,588	9,310,182
Fund Balance - End of year	\$ 2,456,726	\$ 1,870	\$ 131,547	\$ (144,228)	\$ 4,397,100	\$ 21,412	\$ 4,423	\$ 6,868,850

See Notes to Financial Statements.

**Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2021**

Statement #4A

Net Change in Fund Balances **\$ (2,441,332)**

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

(Increases) decreases in accrued compensated absences 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. (3,700)

On the statement of activities, the actual and projected long-term expenditures for post employment benefits are reported whereas on the governmental funds only the actual expenditures are recorded for post employment benefits. (14,780,024)

(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	\$	(2,145,293)	
Employees' Retirement System		403,043	(1,742,250)

Repayment of installment purchase debt 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 payments made in the current period. 98,255

Governmental funds report capital outlays as expenditures. However, in the statement of activities, asset with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$	9,833,009	
Depreciation expense		(739,629)	9,093,380

In the statement of activities, the gain/loss on the disposal of assets is reported as an increase or decrease in the financial resources. Thus the change in net position differs from the change in fund balance by the net book value of the assets disposed. (13,133)

Changes in Net Position of Governmental Activities **\$ (9,788,804)**

See Notes to Financial Statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

1 – Significant Accounting Policies

The financial statements of Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational Services (“BOCES”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by BOCES are described below:

A) 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 program by sharing teachers. In 1955, legislation was passed allowing BOCES to provide vocational and special education. 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 Jefferson, Lewis, Hamilton, Herkimer, and Oneida Counties: Adirondack Central School, Alexandria Central School, Beaver River Central School, Belleville Henderson Central School, Carthage Central School, Copenhagen Central School, General Brown Central School, Indian River Central School, Inlet Common School, LaFargeville Central School, Lowville Academy and Central School, Lyme Central School, Sackets Harbor Central School, South Jefferson Central School, South Lewis Central School, Thousand Islands Central School, Town of Webb School and Watertown City School District.

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

The reporting entity of 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.

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

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

1) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of BOCES represent funds of the students of BOCES. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of BOCES with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom

Activity Funds can be found at BOCES' business office. BOCES accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.

B) Basis of presentation

1) BOCES-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about BOCES' governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of BOCES at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and revenues for each function of 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.

2) Fund statements:

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

BOCES reports the following major governmental funds:

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

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

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

Miscellaneous Special Revenue: Used to account for transactions of activities for which BOCES has administrative control, but the activities are not part of BOCES' operations. Included in the miscellaneous special revenue funds are the extraclassroom activity funds.

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.

Legal Services: This fund accounts for fees received from BOCES' association of school districts for providing legal services and the related costs of providing those legal services.

Adult Education: This fund accounts for fees related to providing education and training programs to adults.

Energy Management Services: This fund accounts for activity related to the solar array located on BOCES property.

C) 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.

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. BOCES considers all revenues

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year.

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

D) Restricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, 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.

E) Interfund transactions:

The operations of BOCES include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. 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 expenditure and revenues to provide financing or other services.

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 BOCES' practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

F) 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/expenditures 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.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

G) Cash (and cash equivalents):

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 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.

H) 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.

I) 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. Assets acquired through capital lease agreements are recorded in accordance with accounting principles generally accepted in the United States of America, which require capitalization at their fair market value as of the date of lease inception.

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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight Line	40 Years
Furniture and equipment	\$ 5,000	Straight Line	5 to 10 Years

BOCES does not possess any infrastructure.

J) 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 that time. BOCES has two items that qualify for reporting in this category. The first item is related to pensions reported in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the BOCES' proportionate share of the collective net pension asset or

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

liability and difference during the measurement period between BOCES' contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the BOCES-wide Statement of Net Position. This represents the effect of net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. BOCES has one item that qualifies for reporting in this category. The 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' proportionate share of the collective net pension asset or liability and difference during the measurement period between BOCES' contributions and its proportion share of total contributions to the pension systems not included in pension expense.

K) Unearned Credits:

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

L) Vested employee benefits:

Compensated absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation.

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.

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 funds 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.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

M) Other benefits:

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

In addition to providing pension benefits, BOCES provides post-employment 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 BOCES' employees may become eligible for these benefits if they reach normal retirement age while working for BOCES. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. BOCES recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

N) Short-term debt:

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.

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.

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. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

O) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the BOCES-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the fund's 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.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

Long-term obligations represent 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.

P) Equity classifications:

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) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position – reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or 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 BOCES.

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. There were no nonspendable funds at June 30, 2021.

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. BOCES has established the following restricted fund balances:

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 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.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. 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.

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.

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 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 Commissioner of Education. The maximum amount that may be retained in the reserve is equal to the greater of 20% of the current education services budget or \$500,000, provided the total amount shall not exceed \$2,000,000. Any amounts remaining in the reserve at the time of liquidation shall be distributed to the participating districts within ninety days.

Restricted fund balance includes the following:

General Fund:

Unemployment contributions	\$ 388,000
Retirement contributions	1,216,388
Employee benefit accrued liability	486,622
Advanced technical equipment	<u>252,468</u>
Total restricted funds	<u>\$ 2,343,478</u>

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of BOCES' highest level of decision-making authority, i.e., the Board of Education. BOCES has no committed fund balances as of June 30, 2021.

Assigned – Includes amounts that are constrained by 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.

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 BOCES. In funds other than the General Fund, the unassigned classification is used to report a deficit

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

Net Position/Fund Balance:

Net Position Flow Assumption: Sometimes BOCES will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes BOCES will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

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 balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The Purchasing Agent has the authority to assign fund balance as it relates to encumbrances. The Board of Education will be responsible for the assignment of fund balances as it relates to appropriated fund balance. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Q) Implementation of New Accounting Standards:

BOCES has adopted all current Statements of the Governmental Accounting Standards Board (GASB). At June 30, 2021, BOCES implemented the following new standards issued by GASB. These standards had no significant impact on BOCES.

GASB has issued Statement No. 84 – *Fiduciary Activities*, effective for the year ending June 30, 2021.

GASB has issued Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interest*, effective for the year ending June 30, 2021. This standard had no significant impact on BOCES.

R) Future Changes in Accounting Standards:

GASB has issued Statement No. 87 – *Leases*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022

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GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022.
GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2021 (paragraphs 11b, 13 and 14 are effective for the year ending June 30, 2022).

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of

GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 30, 2020).

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

2 – Explanation of certain differences between governmental fund statements and BOCES-wide statements

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of 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 Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions.

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

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance 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.

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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 transaction 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.

4) Pension differences:

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

5) OPEB differences:

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

3 – Changes in Accounting Principles

For the fiscal year ended June 30, 2021, BOCES implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of the statement establishes criteria for identifying activities of all BOCES. See Note 16 for the financial statement impact of the implementation of the statement.

4 – Stewardship, compliance and accountability

Budgets

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

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

Appropriations for educational services are adopted at the program level.

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

Appropriations lapse at the end of the fiscal year unless expensed or encumbered. Encumbrances will lapse if not expended in the subsequent year. BOCES board can approve supplementary appropriations based on requests for additional services and surplus revenues. See supplemental Schedule of Change from Adopted to Final Budget for supplementary appropriations during the current year.

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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.

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.

The adult education fund had a deficit fund balance of \$144,228. This will be funded by increased fees for adult education programs.

5 – Cash (and cash equivalents) – custodial credit, concentration of credit, interest rate and foreign currency risks:

Cash

BOCES' aggregate bank balances, including 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>\$ 11,152,809</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 \$2,343,478 restricted for various fund balance reserves in the general fund.

Deposits

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 financial institution's trust department or agent in the BOCES' name, or (3) uncollateralized. At June 30, 2021, all deposits were fully insured and collateralized by the BOCES' agent, but not in the BOCES's name.

Investment and Deposit Policy

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.

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Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. BOCES' investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

BOCES' policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. BOCES' investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest-bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with BOCES' investment and deposit policy, all deposits of BOCES including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. BOCES restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities

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6 – Capital assets

Capital asset balances and activity were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Capital assets that are not depreciated:				
Land	\$ 246,097	\$ -	\$ -	\$ 246,097
Construction in progress	<u>6,508,843</u>	<u>10,554,188</u>	<u>-</u>	<u>17,063,031</u>
Total nondepreciable	<u>6,754,940</u>	<u>10,554,188</u>	<u>-</u>	<u>17,309,128</u>
Capital assets that are depreciated:				
Site improvements	\$ 283,182	\$ -	\$ -	\$ 283,182
Buildings	<u>21,323,111</u>	<u>117,400</u>	<u>-</u>	<u>21,440,511</u>
Furniture and equipment	<u>4,855,870</u>	<u>346,217</u>	<u>(235,345)</u>	<u>4,966,742</u>
Total depreciable assets	<u>26,462,163</u>	<u>463,617</u>	<u>(235,345)</u>	<u>26,690,435</u>
Less accumulated depreciation:				
Site improvements	49,461	7,080	-	56,541
Buildings	<u>10,972,731</u>	<u>435,198</u>	<u>-</u>	<u>11,407,929</u>
Furniture and equipment	<u>3,504,881</u>	<u>297,351</u>	<u>(222,212)</u>	<u>3,580,020</u>
Total accumulated depreciation	<u>14,527,073</u>	<u>739,629</u>	<u>(222,212)</u>	<u>15,044,490</u>
Total depreciated assets, net	<u>11,935,090</u>	<u>(276,012)</u>	<u>(13,133)</u>	<u>11,645,945</u>
Total capital assets	<u>\$ 18,690,030</u>	<u>\$ 10,278,176</u>	<u>\$ (13,133)</u>	<u>\$ 28,955,073</u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 129,917
Career & Technical Programs	462,987
Programs for Exceptional Students	<u>146,725</u>
Total Depreciation Expense	<u>\$ 739,629</u>

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7 – Short-term debt

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
RAN	6/17/2021	1.25%	<u>\$ -</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>

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

Interest paid	\$ 26,366
Less interest accrued in the prior year	-
Plus interest accrued in the current year	<u>-</u>
Total expense	<u>\$ 26,366</u>

8 – Long-term debt obligations

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

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>	<u>One Year</u>
Long-term liabilities:					
Installment purchase debt	\$ 197,798	\$ -	\$ 98,255	\$ 99,543	\$ 99,543
Energy Performance Contract	<u>-</u>	<u>1,734,094</u>	<u>-</u>	<u>1,734,094</u>	<u>81,741</u>
Total Long-term liabilities	<u>197,798</u>	<u>1,734,094</u>	<u>98,255</u>	<u>1,833,637</u>	<u>181,284</u>
Other long-term liabilities:					
Compensated absences payable	937,454	3,700	-	941,154	-
Other postemployment benefits payable	120,267,310	49,816,839	-	170,084,149	-
Net pension liability-proportionate share	<u>6,203,706</u>	<u>2,407,692</u>	<u>6,181,081</u>	<u>2,430,317</u>	<u>-</u>
Total other long-term liabilities	<u>127,408,470</u>	<u>52,228,231</u>	<u>6,181,081</u>	<u>173,455,620</u>	<u>-</u>
	<u>\$ 127,606,268</u>	<u>\$ 53,962,325</u>	<u>\$ 6,279,336</u>	<u>\$ 175,289,257</u>	<u>\$ 181,284</u>

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

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The following is a summary of debt requirements for the ensuing years:

	<u>Installment Purchase</u>		<u>Energy Performance Contract</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 99,543	\$ 1,305	\$ 81,741	\$ 40,002
2023			101,425	\$ 37,492
2024			103,751	\$ 35,191
2025			106,131	\$ 32,836
2026			108,565	\$ 30,428
2027-2031			581,346	\$ 114,042
2032-2036	-	-	651,135	44,992
Total	<u>\$ 99,543</u>	<u>\$ 1,305</u>	<u>\$ 1,734,094</u>	<u>\$ 334,983</u>

9 -- Pension plans

New York State Teachers' Retirement System (TRS) and NEW York State and Local Employees' Retirement System (ERS) (the Systems)

Plan Descriptions and Benefits Provided

Teacher' Retirement System

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 Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

The BOCES participates in the New York State 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

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changes in plan net position allocated to the System. The Comptroller of the State of New York serves as trustee of the Fund and administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). 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 District 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 regards to benefits provided, may be obtained by writing to New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Systems are noncontributory except for the 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% 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 ERS, the Comptroller annually certifies the rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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

<u>Contributions</u>	<u>TRS</u>	<u>ERS</u>
2020-2021	\$ 1,476,016	\$ 880,705
2019-2020	1,713,920	888,234
2018-2019	1,508,089	866,225

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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

At June 30, 2021, 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 June 30, 2020 for TRS and March 31, 2021 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. BOCES' proportion of the net pension asset/(liability) was based on a projection of 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 TRS and ERS Systems in reports provided to BOCES.

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	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2020	March 31, 2021
District's proportionate share of the net pension asset/(liability)	\$ (2,407,692)	\$ (22,625)
District's portion of the Plan's total net pension asset/(liability)	0.087132%	0.022722%

For the year ended June 30, 2021, BOCES' recognized pension expense of \$3,324,471 for TRS and \$492,872 for ERS. At June 30, 2021, BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 2,109,620	\$ 276,314	\$ 123,390	\$ -
Changes of assumptions	3,045,170	4,160,026	1,085,444	78,459
Net difference between projected and actual earnings on pension plan investments	1,572,434	-	-	6,499,261
Changes in proportion and differences between BOCES' contributions and proportionate share of contributions	356,861	35,329	200,738	160,206
BOCES' contributions subsequent to the measurement date	<u>2,721,471</u>	<u>274,234</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,805,556</u>	<u>\$ 4,745,903</u>	<u>\$ 1,409,572</u>	<u>\$ 6,737,926</u>

BOCES contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	<u>TRS</u>	<u>ERS</u>
2021	\$ 1,020,799	\$ -
2022	1,976,231	(419,062)
2023	1,576,006	(176,071)
2024	965,123	(392,441)
2025	27,272	(1,278,683)
Thereafter	109,082	-

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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. The actuarial valuation used the following actuarial assumptions:

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Interest rate	7.10%	5.90%
Salary scale	1.90 - 4.72%	4.40%
Decrement tables	July 1, 2009 - June 30, 2014	April 1, 2015 - March 31, 2020
	System's Experience	System's Experience
Inflation rate	2.20%	2.70%
Cost of living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP2019. 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-2020.

For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

The long-term 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 the target asset allocation percentage and by adding expected inflation. Best

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estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term expected</u> <u>Real rate of return*</u>
	<u>2020</u>	<u>2020</u>
Asset Type		
Domestic equity	33%	7.10%
International equity	16%	7.70%
Global equity	4%	7.40%
Real estate equity	11%	6.80%
Private equity	8%	10.40%
Domestic fixed income	16%	1.80%
Global bonds	2%	1.00%
Private debt	1%	5.20%
Real estate debt	7%	3.60%
High-yield bonds	1%	3.90%
Cash equivalents	<u>1%</u>	0.70%
Total	100%	

*Real rates of returns are net of the long-term inflation assumption of 2.2% for 2020.

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term expected</u> <u>Real rate of return*</u>
	<u>2021</u>	<u>2021</u>
Asset Type		
Domestic equity	32%	4.05%
International equity	15%	6.30%
Private equity	10%	6.75%
Real estate	9%	4.95%
Opportunistic/ARS portfolio	3%	4.50%
Credit	4%	3.63%
Real assets	3%	5.95%
Fixed income	23%	0.00%
Cash	<u>1%</u>	0.50%
Total	100%	

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Discount Rate

The discount rate used to calculate the total pension liability was 7.10% for TRS and 5.9% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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 benefits payments to determine the total pension liability. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents BOCES' proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.10% for TRS and 5.9% for ERS, as well as what 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 (6.10% for TRS and 4.9% for ERS) or 1-percentage point higher (8.10% for TRS and 6.9% for ERS) than the current rate:

<u>TRS</u>	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	<u>\$ (15,208,559)</u>	<u>\$ (2,407,692)</u>	<u>\$ 8,335,480</u>
<u>ERS</u>	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	<u>\$ (6,279,853)</u>	<u>\$ (22,625)</u>	<u>\$ 5,748,003</u>

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$1,595,715.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$274,234 of employer contributions. Employee contributions are remitted monthly.

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Notes to Financial Statements
June 30, 2021

10 – Interfund transactions – governmental funds

Interfund balances at June 30, 2021 are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 1,160,830	\$ 136,209	\$ -	\$ 6,923,084
Special Aid	-	842,816	-	-
Legal Services	68,029	-	-	-
Capital	-	-	6,923,084	-
Adult Education	17,428	260,253	-	-
Energy Management Services	6,357	13,366	-	-
Total Governmental Activities	<u>1,252,644</u>	<u>1,252,644</u>	<u>6,923,084</u>	<u>6,923,084</u>

BOCES typically transfers resources between funds for the purpose of mitigating the effects of transient cash flow issues.

11 – Fund balance equity

The following is a summary of the Governmental Funds fund balances of BOCES at the year ended June 30, 2021:

Fund Balances	General	Special Aid	Legal Services	Adult Education	Capital	Miscellaneous Special Revenue	Energy Mgmt Svcs	Total Governmental Funds
Restricted								
Unemployment contributions	\$ 388,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,000
Retirement contributions	1,216,388	-	-	-	-	-	-	1,216,388
Employee benefit accrued liability	486,622	-	-	-	-	-	-	486,622
Advanced technical equipment	252,468	-	-	-	-	-	-	252,468
Unassigned								
Adult education	-	-	-	(144,228)	-	-	-	(144,228)
Assigned								
Designated for next fiscal year -								
Administration	4,800	-	-	-	-	-	-	4,800
Capital	-	-	-	-	4,397,100	-	-	4,397,100
Career & technical prog	1,098	-	-	-	-	-	-	1,098
Energy Management Svcs	-	-	-	-	-	-	4,423	4,423
PES	107,350	-	-	-	-	-	-	107,350
Special aid	-	1,870	-	-	-	-	-	1,870
Extraclassroom activity	-	-	-	-	-	21,412	-	21,412
Legal services	-	-	131,547	-	-	-	-	131,547
Total Governmental Fund Balance	<u>\$ 2,456,726</u>	<u>\$ 1,870</u>	<u>\$ 131,547</u>	<u>\$ (144,228)</u>	<u>\$ 4,397,100</u>	<u>\$ 21,412</u>	<u>\$ 4,423</u>	<u>\$ 6,868,850</u>

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

12 – Postemployment (health insurance benefits):

Plan Description

The BOCES administers a defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the BOCES. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which 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 or 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 GASB Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the BOCES pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The BOCES currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2021 approximately \$3,503,312 was paid on behalf of 254 retirees.

Benefits Provided

The BOCES provides for continuation of medical and/or Medicare Part B benefits for retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the BOCES' offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	254
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>410</u>
	<u>664</u>

Net OPEB liability

The BOCES' total OPEB liability of \$170,084,149 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2021 was determined using the following actuarial and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Based on CPI
Salary increases	Varied by years of service and retirement system
Discount rate	2.44 percent
Healthcare cost trend rates	6.75 percent for 2022, decreasing to an ultimate rate of 4.5 percent for 2031 and later years
Retirees' share of benefit-related costs	15 percent of projected health insurance premiums for retirees

The discount rate was based on the Fidelity General Obligation 20-Year AA Municipal Bond index.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre-and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvements Scale MP-2019.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2020 – June 30, 2021.

Changes in the total OPEB liability

Balance at June 30, 2020	\$ 120,267,310
Change for the year:	
Service cost	5,814,613
Interest	2,891,782
Changes in assumptions or other inputs	44,613,756
Benefit payments	<u>(3,503,312)</u>
Net changes	<u>49,816,839</u>
Balance at June 30, 2021	<u>\$ 170,084,149</u>

Changes of assumptions and other inputs reflect a change in the discount rate 3.14 percent in 2020 to 2.44 percent in 2021.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

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

The following presents the BOCES' 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 (1.44%) or 1 percentage point higher (3.44%) than the current discount rate:

	<u>Decrease</u> <u>(1.44%)</u>	<u>Rate</u> <u>(2.44%)</u>	<u>Increase</u> <u>(3.44%)</u>
Total OPEB Liability	<u>\$ 208,781,143</u>	<u>\$ 170,084,149</u>	<u>\$ 140,585,785</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the BOCES' total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current healthcare cost trend rate:

	<u>1%</u> <u>Decrease</u>	<u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	<u>\$ 138,155,075</u>	<u>\$ 170,084,149</u>	<u>\$ 213,114,599</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2021, the BOCES recognized OPEB expense of \$49,816,839. At June 30, 2021, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	44,613,756	-
Benefit payments subsequent to the measurement period	<u>2,986,877</u>	<u>-</u>
Total	<u>\$ 47,600,633</u>	<u>\$ -</u>

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

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

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2021	\$ 6,004,543
2022	6,004,543
2023	6,004,543
2024	6,004,543
2025	6,004,543
Thereafter	<u>17,577,918</u>
	<u>\$ 47,600,633</u>

13 – Risk management

General

BOCES is exposed to various risks of loss related to torts, 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.

Consortiums and Self-Insured Plans

BOCES participates in the Jefferson-Lewis Et. Al. Schools Employees' Healthcare 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 16 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 \$750,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$750,000 limit and BOCES has essentially transferred all related risk to the pool

BOCES participates in the Black River Valley Schools 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. BOCES' share of the liability for unbilled open claims is \$0.

14 – Lease obligations (operating leases)

BOCES leases certain equipment (copiers) and vehicles under the terms of various non-cancelable leases. Rental expense for the year was \$313,008.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Financial Statements
June 30, 2021

Minimum annual rentals for each of the remaining years of the leases are:

For the fiscal years ended June 30:

	<u>Copiers</u>	<u>Vehicles</u>	<u>Total</u>
2022	\$ 161,154	\$ 105,897	\$ 267,051
2023	126,593	70,997	197,590
2024	96,376	51,645	148,021
2025	45,456	9,726	55,182
2026	-	-	-
Total	<u>\$ 429,579</u>	<u>\$ 238,265</u>	<u>\$ 667,844</u>

15 – Commitments and contingencies

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, BOCES' administration believes disallowances, if any, will be immaterial.

The BOCES has signed contracts for a building reconstruction project. The total anticipated cost of this project is \$20,000,000, of which \$15,628,235 has been expended through the end of this fiscal year. BOCES has received \$20,000,000 from its component districts as of June 30, 2021 to fund this construction project.

16 – Adoption of New Pronouncement/Restatement of Prior Period Fund Balance

During the current year, BOCES adopted GASB 84, *Fiduciary Activities*. This pronouncement called for reviewing agency and fiduciary financial information and determining whether the information should be recorded in the General Fund, in the Miscellaneous Special Revenue Fund, or in an Agency Fund, based on the level of administrative control that BOCES had over the financial information. This resulted in BPOCES moving its payroll-related transactions that were previously recorded in the Trust and Agency Fund to the General Fund and its Extraclassroom Activity to the Miscellaneous Special Revenue Funds. This resulted in a restatement of the prior Miscellaneous Special Revenue fund balance of \$20,758.

17 – Subsequent events

On August 26, 2021, BOCES issued \$6,000,000 in revenue anticipation notes at 1.00% maturing June 29, 2022.

BOCES has evaluated events and transactions that occurred between June 30, 2021 and October 7, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Required Supplementary Information
Schedule of Changes in the BOCES' Total OPEB Liability and Related Ratios
Last 4 Fiscal Years
For the Year Ended June 30, 2021

SS #1

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	July 1, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability				
Service cost	\$ 5,814,613	\$ 4,249,073	\$ 3,852,488	\$ 4,468,994
Interest	2,891,782	3,278,642	3,598,529	3,139,385
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	5,156,895	-
Changes of assumptions or other inputs	44,613,756	9,732,109	(2,832,740)	(11,174,415)
Benefit payments	<u>(3,503,312)</u>	<u>(2,815,729)</u>	<u>(2,363,506)</u>	<u>(2,133,213)</u>
Net change in total OPEB liability	49,816,839	14,444,095	7,411,666	(5,699,249)
Total OPEB liability - beginning	<u>120,267,310</u>	<u>105,823,215</u>	<u>98,411,549</u>	<u>104,110,798</u>
Total OPEB liability - ending	<u>\$ 170,084,149</u>	<u>\$ 120,267,310</u>	<u>\$ 105,823,215</u>	<u>\$ 98,411,549</u>
Covered payroll	<u>\$ 22,522,001</u>	<u>\$ 22,137,264</u>	<u>\$ 21,414,694</u>	<u>\$ 20,784,446</u>
Total OPEB liability as a percentage of covered payroll	755.19%	543.28%	494.16%	473.49%

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.

Note:

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

See paragraph on supplementary schedules included in independent auditors' report.

Jefferson- Lewis-Hamilton-Herkimer-Oneida BOCES
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2021

SS#2

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance with Budgetary Actual
Revenues					
Administration	\$ 4,603,792	\$ 4,858,592	\$ 4,597,156		\$ (261,436)
Administration - Capital	-	6,923,083	6,923,084		1
Career and technical programs	10,843,667	10,899,273	10,606,931		(292,342)
Programs for exceptional students	15,370,484	15,384,082	12,788,249		(2,595,833)
Itinerant services	4,837,854	5,070,576	3,965,591		(1,104,985)
General instruction	2,445,024	2,648,388	1,442,984		(1,205,404)
Instruction support	6,088,484	8,613,315	7,056,749		(1,556,566)
Other services	8,142,413	12,505,264	11,493,565		(1,011,699)
Total revenues	\$ 52,331,718	\$ 66,902,573	\$ 58,874,309		\$ (8,028,264)
Expenditures					
	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual & Encumbrances
Administration	\$ 4,603,792	\$ 4,858,592	4,541,259	\$ 4,800	\$ 312,533
Career and technical programs	10,843,667	10,899,273	9,756,302	1,098	1,141,873
Programs for exceptional students	15,370,484	15,384,082	13,077,644	107,350	2,199,088
Itinerant services	4,837,854	5,070,576	4,084,607	-	985,969
General instruction	2,445,024	2,648,388	1,528,816	-	1,119,572
Instruction support	6,088,484	8,613,315	6,864,304	-	1,749,011
Other services	8,142,413	12,505,264	11,026,718	-	1,478,546
Total expenditures	52,331,718	59,979,490	50,879,650	\$ 113,248	\$ 8,986,592
Other Financing Uses					
Operating Transfers Out	-	6,923,083	6,923,084		
Total expenditures and other financing uses	52,331,718	66,902,573	57,802,734		
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses			1,071,575		
Other Changes in Fund Balance					
Refund of surplus unpaid	-	-	(1,071,575)		
Reserve for unemployment insurance	-	-	-		
Reserve for retirement contributions	-	-	49,970		
Reserve for Employee Benefits Accrued Liability	-	-	6,714		
Reserve for advanced technical equipment	-	-	(252,944)		
Plus encumbrances, ending	-	-	113,248		
Less encumbrances, beginning	-	-	(289,069)		
Total changes in fund balance	-	-	(1,443,656)		
Net Change in Fund Balance	-	-	(372,081)		
Fund Balance - Beginning of Year	2,828,807	2,828,807	2,828,807		
Fund Balance - End of Year	\$ 2,828,807	\$ 2,828,807	\$ 2,456,726		

See paragraph on supplementary schedules included in independent auditors' report.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
 Required Supplementary Information
 Schedule of BOCES Contributions
 NYSTRS Pension Plan
 Last 7 Fiscal Years
 For the Year Ended June 30, 2021

SS#3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,476,016	\$ 1,713,920	\$ 1,508,089	\$ 1,786,410	\$ 1,989,187	\$ 2,741,728	\$ 2,293,426
Contributions in Relation to the Contractually Required Contribution	<u>1,476,016</u>	<u>1,713,920</u>	<u>1,508,089</u>	<u>1,786,410</u>	<u>1,989,187</u>	<u>2,741,728</u>	<u>2,293,426</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES' Covered-Employee Payroll	\$ 14,923,657	\$ 14,644,673	\$ 14,040,691	\$ 14,130,884	\$ 14,109,729	\$ 14,892,611	\$ 13,503,715
Contributions as a Percentage of Covered- Employee Payroll	9.89%	11.70%	10.74%	12.64%	14.10%	18.41%	16.98%

Schedule of BOCES Contributions
 NYSERS Pension Plan
 Last 7 Fiscal Years
 For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 880,705	\$ 888,234	\$ 866,225	\$ 856,309	\$ 820,219	\$ 846,916	\$ 964,973
Contributions in Relation to the Contractually Required Contribution	<u>880,705</u>	<u>888,234</u>	<u>866,225</u>	<u>856,309</u>	<u>820,219</u>	<u>846,916</u>	<u>964,973</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES' Covered-Employee Payroll	\$ 6,501,835	\$ 6,366,538	\$ 6,128,575	\$ 5,922,235	\$ 5,591,997	\$ 5,095,129	\$ 5,340,752
Contributions as a Percentage of Covered- Employee Payroll	13.55%	13.95%	14.13%	14.46%	14.67%	16.62%	18.07%

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 auditors' report.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Required Supplementary Information
BOCES' Proportionate Share of the Net Pension Liability
NYSTRS Pension Plan
Last 7 Fiscal Years
For the Year Ended June 30, 2021

SS#4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
BOCES' Proportion of the Net Pension Liability (Asset)	0.087132%	0.087047%	0.085370%	0.088498%	0.090666%	0.098479%	0.090073%
BOCES' Proportionate Share of the Net Pension Liability (Asset)	\$ 2,407,692	\$ (2,261,499)	\$ (1,543,717)	\$ (672,670)	\$ 971,070	\$ (10,228,841)	\$ (10,033,591)
BOCES' Covered-Employee Payroll	\$ 14,923,657	\$ 14,644,673	\$ 14,040,691	\$ 14,130,884	\$ 14,109,729	\$ 14,892,611	\$ 13,503,715
BOCES' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	16.13%	-15.44%	-10.99%	-4.76%	6.88%	-68.68%	-74.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

Schedule of BOCES' Proportionate Share of the Net Pension Liability
NYSERS Pension Plan
Last 7 Fiscal Years
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
BOCES' Proportion of the Net Pension Liability (Asset)	0.022722%	0.023427%	0.023817%	0.022657%	0.021746%	0.021006%	0.021392%
BOCES' Proportionate Share of the Net Pension Liability (Asset)	\$ 22,625	\$ 6,203,706	\$ 1,687,520	\$ 731,253	\$ 2,043,253	\$ 3,371,485	\$ 722,658
BOCES' Covered-Employee Payroll	\$ 6,501,835	\$ 6,366,538	\$ 6,128,575	\$ 5,922,235	\$ 5,591,997	\$ 5,095,129	\$ 5,340,752
BOCES' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.35%	97.44%	27.54%	12.35%	36.54%	66.17%	13.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%

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 auditors' report.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES**SS #5****Supplementary Information****Schedule of Change from Adopted Budget to Final Budget - General Fund
For the Year Ended June 30, 2021**

Adopted budget	\$ 52,042,649
Add: Prior year's encumbrances	<u>289,069</u>
Original budget	52,331,718
Budget revision	<u>14,570,855</u>
Final budget	<u>\$ 66,902,573</u>

The original budget was revised for the following programs:

Budget increases:

Administration	\$ 254,800
Career and technical programs	55,606
Programs for exceptional students	13,598
Itinerant services	232,722
General instruction	203,364
Instruction support	2,524,831
Other services	4,362,851
Operating transfer for capital project	<u>6,923,083</u>

Net increase	<u>\$ 14,570,855</u>
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See paragraph on supplementary schedules included in independent auditors' report.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Supplementary Information
Analysis of Account A431 School Districts
June 30, 2021

SS#6

July 1 - Debit (credit) balance	\$ (952,458)
Debits:	
Billings to school districts	57,958,735
Refund of balances due school districts	2,584,669
Encumbrances, end of year	<u>113,248</u>
Total Debits	<u>60,656,652</u>
Credits:	
Collection from school districts	58,679,501
Adjustment - credits to school districts:	
Revenues in excess of expenditures	1,071,575
Encumbrances, beginning of year	<u>289,069</u>
Total Credits	<u>60,040,145</u>
June 30 - Debit (credit) balance	\$ <u>(335,951)</u>

See paragraph on supplementary schedules included in independent auditors' report.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
 Supplementary Information
 Schedule of Project Expenditures
 Capital Projects Fund
 For the Year Ended June 30, 2021

SS #7

PROJECT TITLE	Original	Revised	Prior	Expenditures	Total	Unexpended	Proceeds of	Methods of Financing		Total	Fund Balance June 30, 2021
	Appropriation	Appropriation	Years	Current Year				Local Sources	Member Districts		
Bohlen Vocational Tech Center	\$ 8,761,000	\$ 8,335,000	\$3,329,744	\$4,846,526	\$ 8,176,270	\$ 158,730	\$ -	\$ 11,098	\$ 8,761,000	\$ 8,772,098	\$ 595,828
HG Sackett Education Center	6,041,000	4,918,760	2,303,097	2,608,169	4,911,266.00	7,494	-	7,653	6,041,000	6,048,653	1,137,387
Watertown Alternative Center for Ed Services	2,724,000	1,834,125	471,563	822,611	1,294,174.00	539,951	-	3,451	2,724,000	2,727,451	1,433,277
Boak Education Center	2,474,000	2,502,490	404,439	842,086	1,246,525	1,255,965	-	3,133	2,474,000	2,477,133	1,230,608
Special Education Building	-	858,705	-	-	-	858,705	-	-	-	-	-
Totals	<u>\$ 20,000,000</u>	<u>\$ 18,449,080</u>	<u>\$ 6,508,843</u>	<u>\$ 9,119,392</u>	<u>\$ 15,628,235</u>	<u>\$ 2,820,845</u>	<u>\$ -</u>	<u>\$ 25,335</u>	<u>\$ 20,000,000</u>	<u>\$ 20,025,335</u>	<u>\$ 4,397,100</u>

See paragraph on supplementary schedules included in independent auditors' report.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Supplementary Information
Net Investment in Capital Assets
For the Year Ended June 30, 2021

SS #8

Capital assets, net	\$ 28,955,073
Deduct:	
Energy performance contract	\$ 1,734,094
Installment purchase debt	<u>99,543</u>
Net Investment in Capital Assets	<u>\$ 27,121,436</u>

See paragraph on supplementary schedules included in independent auditors' report.

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of
Cooperative Educational Services

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational Services (BOCES), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' basic financial statements, and have issued our report thereon dated October 7, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' internal control over financial reporting (internal control) to determine the 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 Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' internal control.

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

STACKEL & NAVARRA, C.P.A., P.C
CERTIFIED PUBLIC ACCOUNTANTS

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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Stackel & Navarra, CPA, PC

Watertown, NY
October 7, 2021

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of
Cooperative Educational Services

Report on Compliance for Each Major Federal Program

We have audited Jefferson-Lewis-Hamilton-Herkimer-Oneida Board of Cooperative Educational Services' (BOCES) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' major federal programs for the year ended June 30, 2021. Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

STACKEL & NAVARRA, C.P.A., P.C

CERTIFIED PUBLIC ACCOUNTANTS

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' compliance.

Opinion on Each Major Federal Program

In our opinion, Jefferson-Lewis-Hamilton-Herkimer-Oneida 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, 2021.

Report on Internal Control over Compliance

Management of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Stackel & Navarra, CPA, PC

Watertown, NY
October 7, 2021

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Labor</u>			
Passed through NYS Labor Department:			
WIOA Dislocated Worker Formula Grants	17.278	DOL01- C19426GG- 3550000	\$ 51,932
<i>Total, U.S. Department of Labor</i>			<u>51,932</u>
<u>U.S. Department of Education</u>			
Passed-through NYS Education Department:			
Special Education Cluster:			
IDEA - Part B (Section 619)	84.173	C013952	\$ 136,218
IDEA - Part B (Section 611)	84.027	C013965	159,173
IDEA - Part B (Section 611)	84.027	C013938	<u>1,270,934</u>
Total Special Education Cluster			1,566,325
Title 2 - Adult Education - Basic Grants to States	84.002	2338-20-3082	98,598
Career and Technical Education - Basic Grants to States	84.048	8000-20-0055	<u>198,854</u>
Total Passed-through NYS Education Department			<u>1,863,777</u>
Direct Programs:			
CARES Act: Higher Education Emergency Relief Fund:			
Student Portion	84.425E	P425E205069	52,616
Institutional Portion	84.425F	P425F205188	57,253
Fund for the improvement of Postsecondary Education	84.425N	P425N200665	<u>137,265</u>
Total CARES Act: Higher Education Emergency Relief Fund:			<u>247,134</u>
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063		90,024
Federal Direct Student Loans	84.268		<u>132,864</u>
Total Student Financial Assistance Cluster			<u>222,888</u>
Total Direct Programs			<u>470,022</u>
<i>Total, U.S. Department of Education</i>			<u>2,333,799</u>
Total Federal Assistance			<u>\$ 2,385,731</u>

See Notes to Schedule of Expenditures of Federal Awards.

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Notes to Schedule of Expenditures of Federal Awards
June 30, 2021

1 – Summary of certain significant accounting policies:

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by BOCES, which is described in Note 1 to BOCES' accompanying financial statements using the modified accrual basis of accounting. 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 is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Certain of the BOCES' federal award programs have been charged with indirect costs, based upon a rate established by New York State, and BOCES has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

Matching costs (BOCES' 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. 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 BOCES' financial reporting system.

2 – Subrecipients:

No amounts were provided to subrecipients.

3 – Other disclosures:

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by BOCES' casualty insurance policies.

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

Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ Yes X none reported

Noncompliance material to financial statements noted? _____ Yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's opinion(s) issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a) _____ yes X no

Identification of major programs:

<u>Name of federal program</u>	<u>CFDA Number</u>
Special Education Cluster	84.027 & 84.173

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low risk? X yes _____ no

Section II – Financial Statements Findings

None

Section III – Federal Award Findings and Questioned Costs

None

**Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020**

There were no prior year audit findings.