



ONONDAGA-CORTLAND-
MADISON BOCES

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2025

**ONONDAGA-CORTLAND-MADISON BOCES
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Independent Auditor's Report

Board of Education

Onondaga – Cortland – Madison BOCES

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Onondaga-Cortland-Madison BOCES, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Onondaga-Cortland-Madison BOCES's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Onondaga-Cortland-Madison BOCES, as of June 30, 2025, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 and 12 to the financial statements, Onondaga-Cortland-Madison BOCES changed its accounting policies related to the recognition and reporting of compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Onondaga-Cortland-Madison BOCES's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Onondaga-Cortland-Madison BOCES's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Onondaga-Cortland-Madison BOCES's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Onondaga-Cortland-Madison BOCES's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements.

The other supplementary information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025, on our consideration of the Onondaga-Cortland-Madison BOCES internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Onondaga-Cortland-Madison BOCES internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Onondaga-Cortland-Madison BOCES's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 15, 2025

Rome, New York

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

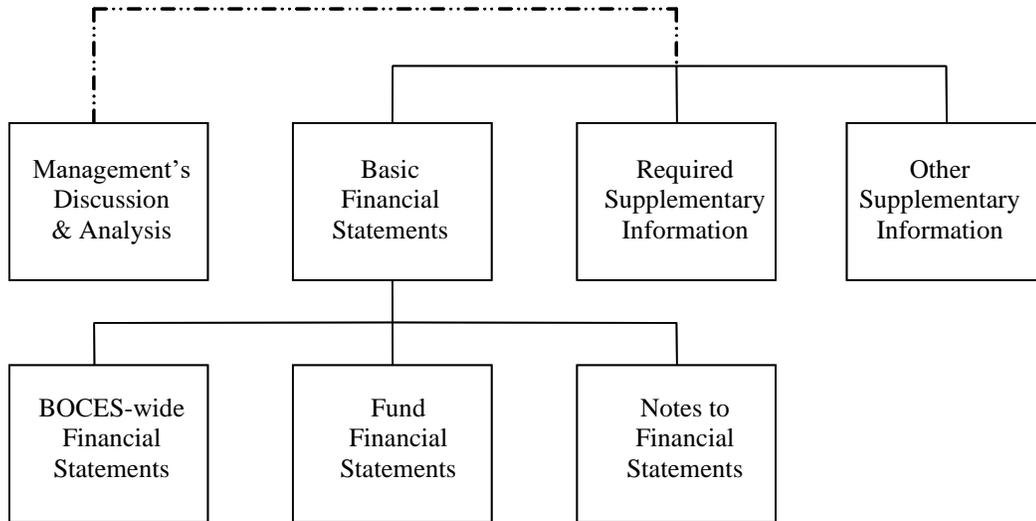
The following is a discussion and analysis of the BOCES’ financial performance for the year ended June 30, 2025. This section is a summary of the BOCES’ financial activities based on currently known facts, decisions and conditions. It is also based on both the BOCES-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the BOCES’ financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The BOCES’ total net position, as reflected in the BOCES-wide financial statements, increased by \$11,614,898. This is the result of revenues exceeding expenditures for the year on the full accrual basis of accounting.
- Program revenues included \$162,213,987 in Charges for Services and \$8,081,012 in Operating Grants and Contributions, which together comprise approximately 93.4% of total revenues.
- The total expenses of BOCES’ programs were \$170,643,835, which is a decrease of \$346,684, or 0.2%, from the prior year, primarily due to a net decrease in employee benefits expense due to the decrease in the other postemployment benefits liability and changes in the net pension asset/liability.
- The BOCES total General Fund revenue for 2024-2025 was \$181,953,176. Approximately 94% of these revenues are from the billings for administration and other services, including leases, to the component districts of the BOCES, other BOCES, and non-component districts.
- The BOCES is required to return surplus billings in the subsequent year. During 2025-2026, the surplus of \$13,854,038 from 2024-2025 will be returned. During 2024-2025, the surplus of \$14,762,233 from the prior year was returned.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

- The first two statements are BOCES-wide financial statements that provide both short-term and long-term information about the BOCES' overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the BOCES, reporting the BOCES' operations in more detail than the BOCES-wide statements. The fund financial statements concentrate on the BOCES' most significant funds.
- The governmental funds statements disclose how basic services such as regular and special education were financed in the short term, as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the BOCES acts solely as a trustee or agent for the benefit of others.

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

BOCES-wide Statements

The BOCES-wide statements report information about the BOCES as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the BOCES' assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the BOCES' net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the BOCES' overall health, consider additional nonfinancial factors such as changes in the BOCES' contracts with component school districts and the condition of BOCES' buildings and other facilities.

In the BOCES-wide financial statements, the BOCES' activities are shown as Governmental Activities. Most of the BOCES' basic services are included here, such as regular and special education, instructional support, and administration. Charges for Services finance most of these activities.

Fund Financial Statements

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

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

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

The BOCES has two types of funds:

- **Governmental Funds:** All of the BOCES' basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that allows the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the BOCES' programs. Because this information does not encompass the additional long-term focus of the BOCES-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The BOCES is the fiduciary for assets that belong to others, such as the student activities funds and state aid. The BOCES is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The BOCES excludes these activities from the BOCES-wide financial statements because it cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE BOCES AS A WHOLE

A. Net Position

The BOCES' total net position increased by \$11,614,898 between fiscal year 2024 and 2025. A summary of the BOCES Statement of Net Position for the June 30, 2025 and 2024, is as follows:

	2025	Restated 2024	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 92,692,780	\$ 95,463,852	\$ (2,771,072)	(2.9%)
Net Pension Asset- Proportionate Share	5,907,824		5,907,824	100.0%
Capital and Intangible Right-to-use				
Lease Assets, Net	82,766,789	81,175,557	1,591,232	2.0%
Total Assets	181,367,393	176,639,409	4,727,984	2.7%
Deferred Outflow - OPEB	21,867,308	27,556,458	(5,689,150)	(20.6%)
Deferred Outflow - Pensions	18,727,052	22,329,049	(3,601,997)	(16.1%)
Total Deferred Outflows of Resources	40,594,360	49,885,507	(9,291,147)	(18.6%)
Other Liabilities	41,911,900	38,849,851	3,062,049	7.9%
Net Pension Liability- Proportionate Share	8,941,249	10,207,136	(1,265,887)	(12.4%)
Non-Current Liabilities	250,528,804	273,548,827	(23,020,023)	(8.4%)
Total Liabilities	301,381,953	322,605,814	(21,223,861)	(6.6%)
Deferred Inflow - Leases	29,822,874	34,416,427	(4,593,553)	(13.3%)
Deferred Inflow - OPEB	60,807,888	53,279,362	7,528,526	14.1%
Deferred Inflow - Pensions	7,721,061	5,610,234	2,110,827	37.6%
Total Deferred Inflows of Resources	98,351,823	93,306,023	5,045,800	5.4%
Net Position				
Net Investment in Capital and Intangible				
Right-to-use Lease Assets	45,150,162	39,737,437	5,412,725	13.6%
Restricted Net Position	24,310,832	26,151,744	(1,840,912)	(7.0%)
Unrestricted Net Position (Deficit)	(247,233,017)	(255,276,102)	8,043,085	3.2%
Total Net Position (Deficit)	\$ (177,772,023)	\$ (189,386,921)	\$ 11,614,898	6.1%

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

Current and other assets decreased by \$2,771,072 as compared to the prior year. The primary reasons for the decrease were decreases in amounts due from components of \$5,275,707 and lease receivables of \$4,899,045, offset by increases in the cash and cash equivalents of \$6,695,215.

Net Pension Asset – Proportionate Share increased by \$5,907,824 as compared to the prior year, as reported to the BOCES by the NYS Teachers' Retirement System.

Capital and right-to-use lease assets increased by \$1,591,232 as compared to the prior year. This increase is primarily due to amounts expended for capital and leased assets exceeding depreciation and amortization expense in the current year. Note 3 (d) and (e) to the Financial Statements provides additional information.

Deferred outflows of resources relating to OPEB decreased by \$5,689,150 as compared to the prior year due to changes of assumptions and other inputs and changes in employer contributions subsequent to the measurement date.

Deferred outflows of resources relating to pensions decreased by \$3,601,997 as compared to the prior year due to changes in actuarial assumptions, as provided by the Retirement Systems.

Other Liabilities increased by \$3,062,049 as compared to the prior year, primarily due to an increase in the revenue anticipation note payable of \$1,500,000, accounts payable and accrued liabilities of \$1,723,931, and amounts due to TRS of \$404,982, offset by a decrease in the amount due to components of \$908,195.

Net Pension Liability – Proportionate Share decreased by \$1,265,887 as compared to the prior year, as reported to the BOCES by the NYS Employees' and Teachers' Retirement Systems.

Non-current liabilities decreased by \$23,020,023, as compared to the prior year. This decrease is primarily the result of a decrease in the liability for other postemployment benefits of \$18,249,538 due primarily to changes in assumptions, decrease of Installment purchase debt of \$2,247,861, decrease of the lease liability of \$1,790,779, and the principal payments made on bonds and energy performance contract of \$740,690.

Deferred inflows of resources relating to leases decreased by \$4,593,553 due to new agreements entered into during the year to lease technology equipment and printers to Districts totaling \$11,433,497, offset by amortization of the recognition of the lease revenue of \$16,027,050.

Deferred inflows of resources relating to OPEB increased by \$7,528,526 as compared to the prior year, due to changes in actuarial assumptions and other inputs, and differences between expected and actual experience.

Deferred inflows of resources relating to pensions increased by \$2,110,827 as compared to the prior year due to deferred amounts provided by the Retirement Systems.

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

The restricted portion of the net position at June 30, 2025 is \$24,310,832, which represents the amount of the BOCES' restricted funds in the General, Miscellaneous Special Revenue, Capital, and Debt Service funds. See the chart on page 11 for additional details.

The unrestricted net position at June 30, 2025, is a deficit of \$247,233,017, which represents the amount by which the BOCES' liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources, other than capital assets, net of related debt, and restricted assets. This deficit is primarily due to the accrual of \$205,480,684 in a liability for OPEB expenses as required by GASB 75.

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows:

Revenues	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	\$ 162,213,987	\$ 155,110,973	\$ 7,103,014	4.6%
Operating Grants	8,081,012	7,343,062	737,950	10.0%
General Revenues				
Interest and Earnings	1,852,734	1,923,050	(70,316)	(3.7%)
Interfund Revenues	1,202,014	1,261,870	(59,856)	(4.7%)
Miscellaneous	9,114,401	8,062,520	1,051,881	13.0%
Loss on Disposals	<u>(205,415)</u>	<u>(692,935)</u>	<u>487,520</u>	70.4%
Total Revenues	<u>182,258,733</u>	<u>173,008,540</u>	<u>9,250,193</u>	5.3%
Expenses				
Administration	10,226,430	10,468,400	(241,970)	(2.3%)
Administration - Capital	2,237,571	2,018,236	219,335	10.9%
Occupational Instruction	16,888,029	15,797,843	1,090,186	6.9%
Instruction for Special Needs	45,455,973	46,749,271	(1,293,298)	(2.8%)
Itinerant Services	2,647,150	2,756,311	(109,161)	(4.0%)
General Instruction	18,978,423	20,208,520	(1,230,097)	(6.1%)
Instructional Support	26,810,362	27,764,068	(953,706)	(3.4%)
Debt Service- Unallocated Interest	501,219	601,025	(99,806)	(16.6%)
Other Services	<u>46,898,678</u>	<u>44,626,845</u>	<u>2,271,833</u>	5.1%
Total Expenses	<u>170,643,835</u>	<u>170,990,519</u>	<u>(346,684)</u>	(0.2%)
Total Change in Net Position	<u>\$ 11,614,898</u>	<u>\$ 2,018,021</u>	<u>\$ 9,596,877</u>	475.6%

The BOCES' revenues increased by \$9,250,193 in 2025 or 5.3%. This increase was primarily due to the following:

- An increase of \$7,103,014 in charges for services due to increased requests for services from components for occupational instruction, special needs, general instruction, and instructional support.
- An increase of \$737,950 in State and Federal Grants during the current year compared to the prior year.
- An increase of \$1,051,881 in miscellaneous revenues primarily due to an increase of \$850,000 in the Career Educational Instructional Equipment Reserve in the Capital Fund.

The BOCES' expenses for the year decreased by \$346,684, or 0.2%. This decrease is primarily due to the following:

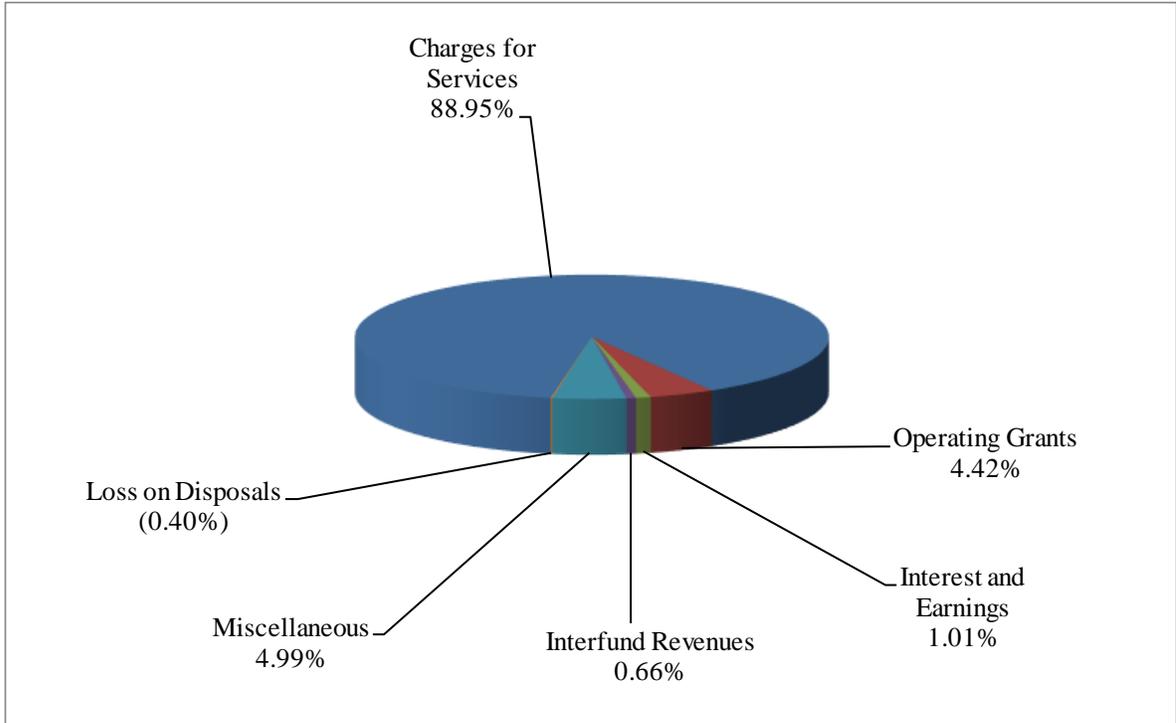
- an increase of \$3,362,019 in program expenses primarily in occupational instruction and other services.
- a net decrease in employee benefits expense due to actuarially determined decreases in the net pension expense and OPEB expense.

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

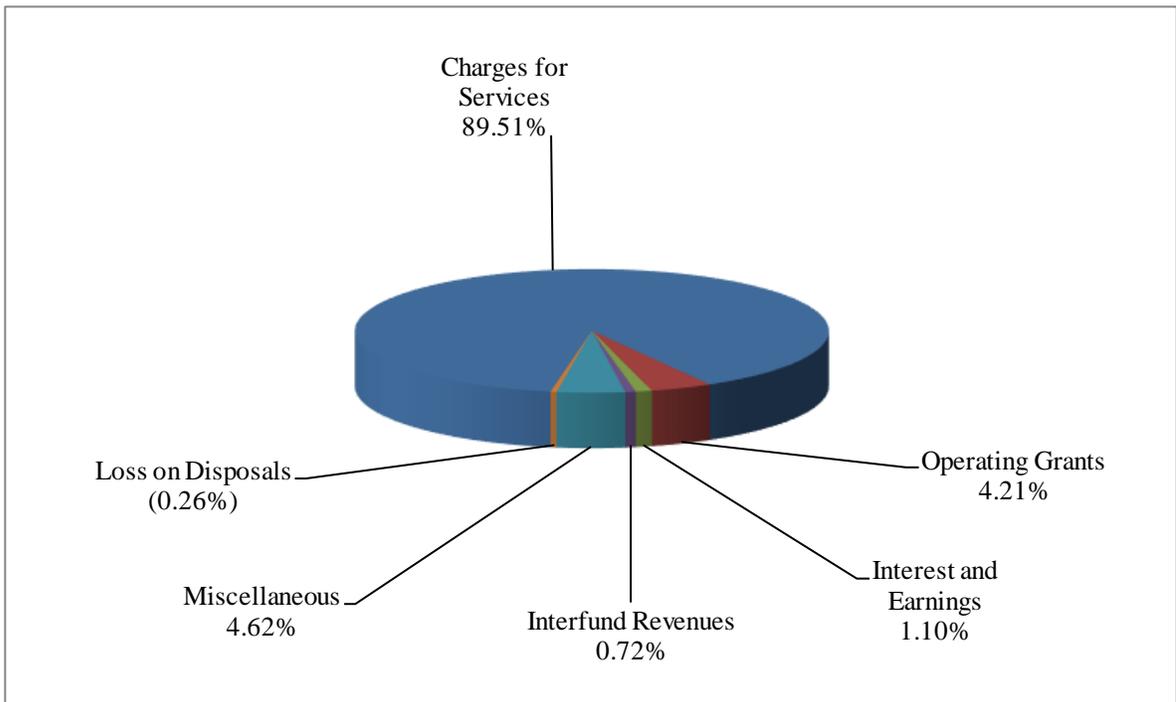
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A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2025



For the Year Ended June 30, 2024

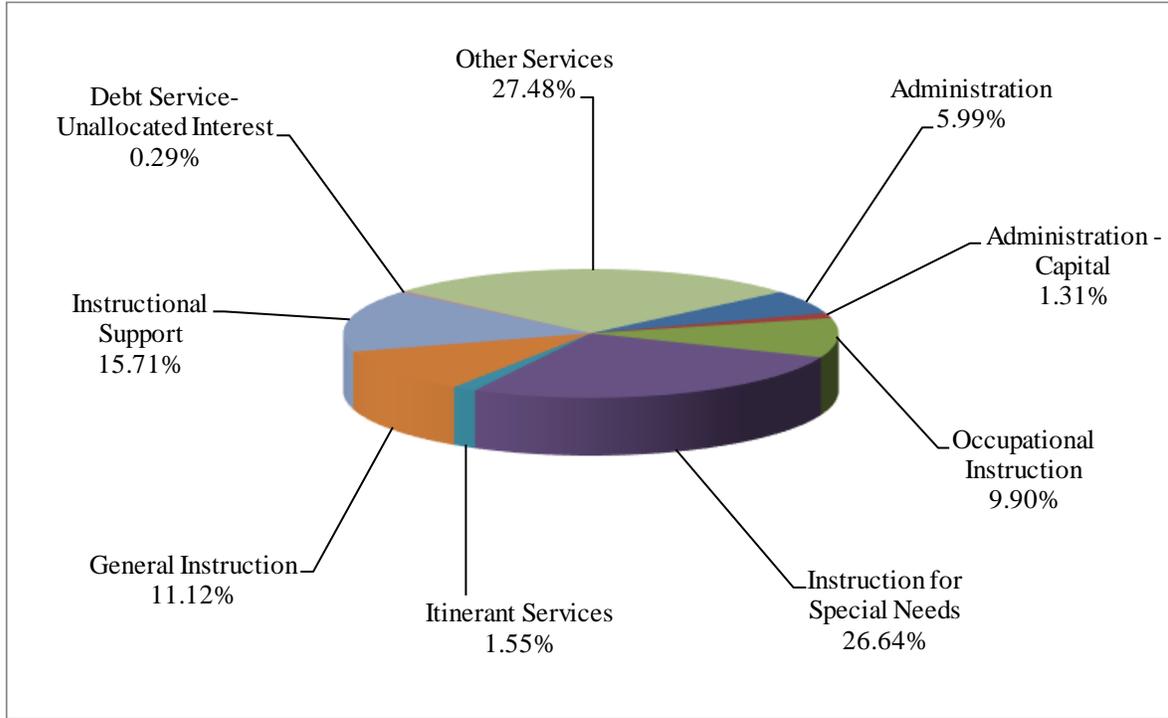


**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

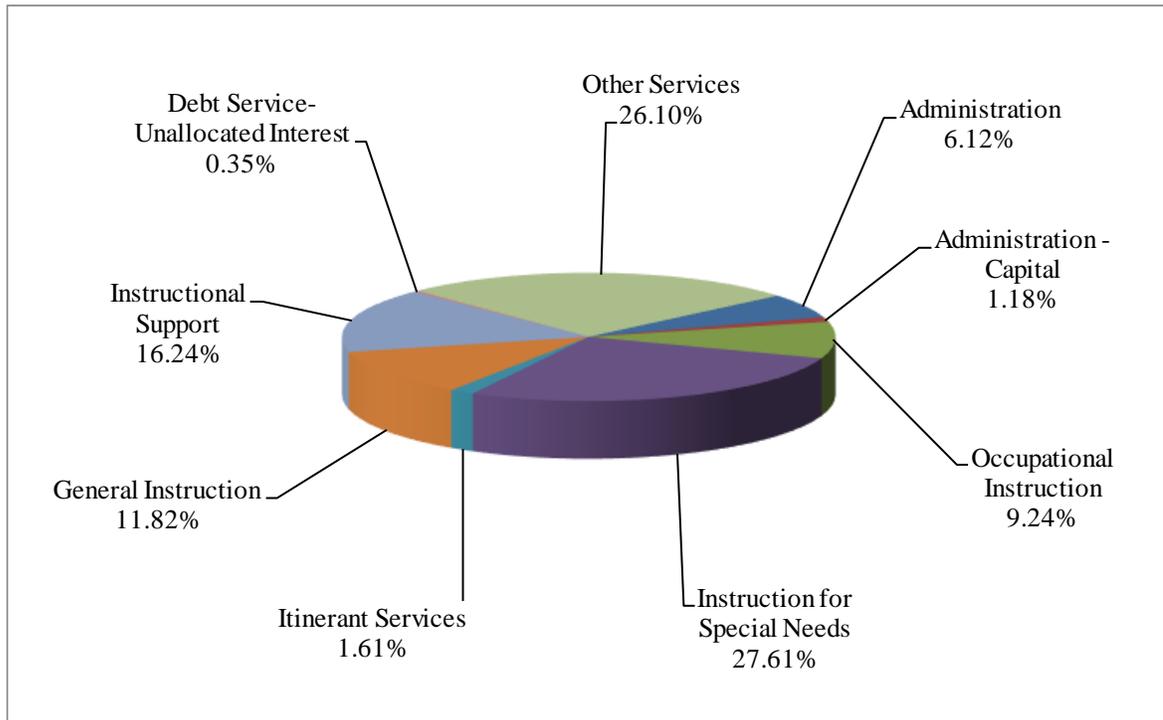
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A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2025



For the Year Ended June 30, 2024



**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

4. FINANCIAL ANALYSIS OF THE BOCES' FUND BALANCES

At June 30, 2025, the BOCES' governmental funds reported combined fund balance of \$21,191,833, which is a decrease of \$1,250,942 from the prior year. This decrease is primarily due to decreases in the General Fund reserves and encumbrances, as well as decreases in the Capital Projects restricted fund balance, offset by an increase in Special Aid fund assigned fund balance. A summary of the change in fund balance by fund is as follows:

	2025	2024	Increase (Decrease)
General Fund			
Nonspendable	\$ 128,717	\$ 176,183	\$ (47,466)
Restricted For			
Unemployment Insurance	1,593,405	1,465,151	128,254
Employee Benefit Accrued Liability	4,845,676	4,738,273	107,403
Retirement Contribution			
Employees' Retirement System	10,449,776	11,342,422	(892,646)
Teachers' Retirement System	3,781,373	3,865,514	(84,141)
Liability	859,096	858,970	126
Total Restricted	21,529,326	22,270,330	(741,004)
Assigned	1,504,489	1,985,887	(481,398)
Unassigned (Deficit)	(13,342,737)	(13,084,712)	(258,025)
Total General Fund	9,819,795	11,347,688	(1,527,893)
Special Aid Fund			
Nonspendable	867	10,090	(9,223)
Assigned	8,589,665	7,203,583	1,386,082
Total Special Aid Fund	8,590,532	7,213,673	1,376,859
Miscellaneous Special Revenue Fund			
Restricted	194,835	219,429	(24,594)
Total Miscellaneous Special Revenue Fund	194,835	219,429	(24,594)
Debt Service Fund			
Restricted	243,467	280,587	(37,120)
Total Debt Service Fund	243,467	280,587	(37,120)
Capital Projects Fund			
Restricted	2,343,204	3,381,398	(1,038,194)
Total Capital Projects Fund	2,343,204	3,381,398	(1,038,194)
Total Fund Balance	\$ 21,191,833	\$ 22,442,775	\$ (1,250,942)

The BOCES leases various technology equipment to school districts and other BOCES. Frequently, the BOCES receives payment of the full lease amount at the beginning of the term of the lease. These funds are used to purchase the assets being leased and expensed in the General Fund. However, accounting standards require these funds collected be a deferred revenue and recognized as revenue over the term of the lease. This accounting treatment resulted in the recording of a Deferred Inflow of Resources at June 30, 2025 and 2024 in the amount of \$29,822,874 and \$34,416,427, respectively. The deferral results in a General Fund unassigned deficit fund balance at June 30, 2025 and 2024 in the amount of \$13,342,737 and \$13,084,712, respectively.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original approved budget of \$174,380,363 and the amended budget of \$184,137,796 is 5.6%, or \$9,757,433. The increase is due to encumbrances and the request for additional services from component and non-component school districts. The budgetary comparison information can be found on Page 47 which presents both original and amended budget totals compared with actual results for the General Fund for the year ended June 30, 2025.

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

Actual expenditures and encumbrances were under the amended budget by 7.1%, or \$13,006,276, and actual revenues were under the amended budget 1.2%, or \$2,184,620.

6. CAPITAL ASSET, RIGHT-TO-USE ASSET, AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2025 and 2024, the BOCES had \$74,491,403 and \$71,105,189, respectively, in a broad range of capital assets including buildings, transportation equipment, computer equipment, and furniture and fixtures. A summary of the BOCES' capital assets, net of accumulated depreciation at June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Land	\$ 3,927,515	\$ 3,927,515	\$
Construction in Process	312,993	285,410	27,583
Buildings	29,471,689	29,285,068	186,621
Vehicles, Furniture, and Equipment	<u>40,779,206</u>	<u>37,607,196</u>	<u>3,172,010</u>
Capital Assets, Net	<u>\$ 74,491,403</u>	<u>\$ 71,105,189</u>	<u>\$ 3,386,214</u>

Depreciation expense for the BOCES totaled \$15,059,178 and \$14,372,518 for June 30, 2025 and 2024, respectively.

B. Right-to-use Assets

At June 30, 2025 and 2024, the BOCES had intangible right-to-use leased assets, net of accumulated amortization, as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Leased Buildings, Net	\$ 2,894,031	\$ 1,979,324	\$ 914,707
Leased Equipment, Net	<u>5,381,355</u>	<u>8,091,044</u>	<u>(2,709,689)</u>
Right to Use Leased Assets, Net	<u>\$ 8,275,386</u>	<u>\$ 10,070,368</u>	<u>\$ (1,794,982)</u>

Amortization expense for the BOCES totaled \$4,470,599 and \$4,792,859 for June 30, 2025 and 2024, respectively.

C. Long-Term Debt

At June 30, 2025, the BOCES had total long-term debt of \$250,528,804. A summary of the long-term debt at June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>Restated 2024</u>	<u>Increase (Decrease)</u>
Revenue Bonds	\$ 14,770,000	\$ 15,370,000	\$ (600,000)
Energy Performance Contract	2,060,685	2,201,375	(140,690)
Premium on Bonds	1,285,704	1,366,061	(80,357)
Installment Purchase Debt	13,367,900	15,615,761	(2,247,861)
Lease Liability	8,475,542	10,266,321	(1,790,779)
Compensated Absences	5,088,289	4,999,087	89,202
OPEB liability	<u>205,480,684</u>	<u>223,730,222</u>	<u>(18,249,538)</u>
Total Long-Term Debt	<u>\$ 250,528,804</u>	<u>\$ 273,548,827</u>	<u>\$ (23,020,023)</u>

7. FACTORS BEARING ON THE BOCES FUTURE

At the time these financial statements were prepared and audited, the BOCES was aware of the following existing circumstances that could affect BOCES in the future:

- During the spring of 2025, the Boards of Education of the component school districts approved the BOCES administrative budget for the 2025-2026 fiscal year.

**ONONDAGA-CORTLAND-MADISON BOCES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

(Continued)

- OCM BOCES decided to limit their unit cost increases in recent years' budgets to be fiscally responsible. As costs continue to rise in the economy and future federal funding is uncertain, participation in BOCES programs could be impacted making budgeting more challenging in the future.
- New York State's 2025-2026 Enacted Budget provides \$37.1 billion in State Funding to school districts for the 2025-2026 school year. This represents an increase of \$1.75 billion, or a 4.9% increase compared to the prior year.
- Micron Technology's planned significant investment in a semiconductor facility in Central New York is a historic economic opportunity for the region with the creation of thousands of direct and indirect jobs. This project will have far-reaching effects on the local labor market. Micron's investment presents a unique opportunity for OCM BOCES to play a pivotal role in preparing the workforce for the future. By aligning educational programs with industry needs and fostering strong partnerships, we can ensure that our region benefits fully from this transformative project. In the coming years we expect an increase of enrollment in our Adult Education and Career & Technical Education programs aligned to the increased demand for skilled workers. Administration is reviewing significant capital projects, applying for grants, and evaluating existing programs and curriculum to align with tomorrow's workforce demands. Additionally, we continue to forge partnerships with the business community seeking insight into the specific skill sets needed and to explore potential collaborative projects.
- In November 2025, OCM BOCES has a capital project referendum planned for the approval of an estimated \$30.5 million project at two campuses: the Cortlandville Campus, which houses both special education and Career & Technical Education programs, and the Thompson Road Career & Technical Education facility. The planned capital project includes infrastructure improvements as well as classroom and lab renovations aligned to instructional needs and local job market skills needed.
- The number of retirees and current employees eligible to retire continues to grow creating a significant burden for the BOCES and its component school districts. Over the past few years, the BOCES moved employees from a two-tier prescription drug plan to a three-tier prescription drug plan and increased the employee co-pay in the last two contract negotiations for each bargaining unit. They also increased the required number of years of employment to be eligible for health insurance into retirement from ten years to fifteen years with the two largest bargaining units.
- In the spring of 2025, settlements with the OCM BOCES Federation of Teachers (PCMBFT), Cortland-Onondaga-Madison BOCES Organization (COMBO), and Midlevel Administrators Association (Midlevel) bargaining units and Board of Education policy for Non-Represented staff were reached, providing wage increases commensurate with school district settlements in the region.
- Staffing shortages continue to be a problem across our programs. BOCES increased salaries in the latest Collective Bargaining Agreements in hopes of retaining and attracting new employees going forward. The OCMBFT and Midlevel Collective Bargaining Agreements are current and expire in June 2029. The COMBO Collective Bargaining Agreement is current and expires in June 2028.
- Projected employer retirement system costs continue to be a significant part of the BOCES budget. Rates are expected to increase in the coming years, due to changes in the economy. The uncertainty and fluctuations of these rates makes budgeting challenging. The creation of new tiers in the retirement system should help the BOCES contain costs as new employees are added in tiers with less costly benefits.
- Based on information reported by the U.S. Bureau of Labor Statistics, the regional unemployment rate for the Syracuse region has decreased slightly and is approximately 3.6%, down from 4.1% this same time last year. There is a direct relationship between unemployment rates and Adult Education program enrollment. Student recruitment initiatives remain a high priority for Adult Education program administrators.

The BOCES deficit in Net Position is directly related to the accrual of OPEB as required by GASB 75. There is currently no method to fund this liability. Changes in legislation could allow for the establishment and funding of OPEB reserves.

8. CONTACTING THE BOCES' FINANCIAL MANAGEMENT

This financial report is designed to provide the BOCES' citizens, taxpayers, customers, investors, and creditors with a general overview of the BOCES' finances and to demonstrate the BOCES' accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at Onondaga-Cortland-Madison BOCES, 110 Elwood Davis Rd., Liverpool, NY 13088.

ONONDAGA-CORTLAND-MADISON BOCES

STATEMENT OF NET POSITION

June 30, 2025

Assets	
Cash and Cash Equivalents	\$ 40,001,526
Restricted Cash and Cash Equivalents	23,173,279
Cash Held with Fiscal Agent	164,630
Investments - Restricted	1,210,182
Receivables	
State and Federal Aid	2,210,479
Due from Components	8,795,136
Lease Receivables	16,608,854
Accounts Receivable	399,110
Prepaid Expenditures	129,584
Net Pension Asset - Proportionate Share	5,907,824
Intangible Right-to-use Lease Assets, Net	8,275,386
Capital Assets, Net	<u>74,491,403</u>
Total Assets	<u>181,367,393</u>
Deferred Outflows of Resources	
Other Postemployment Benefits	21,867,308
Pensions	<u>18,727,052</u>
Total Deferred Outflows of Resources	<u>40,594,360</u>
Total Assets and Deferred Outflows	<u>\$ 221,961,753</u>
Liabilities	
Due to Components - Refund of Surplus	\$ 13,854,038
Due to	
Teachers' Retirement System	4,793,641
Employees' Retirement System	783,826
Short-Term Notes Payable	
Revenue Anticipation Note	8,500,000
Accounts Payable	2,424,219
Accrued Liabilities	8,508,727
Payroll Withholdings	490,034
Accrued Interest	233,827
Overpayments and Collections in Advance	1,991,522
Unearned Revenues	332,066
Net Pension Liability - Proportionate Share	8,941,249
Noncurrent Liabilities	
Due Within One Year	13,411,561
Due in More Than One Year	<u>237,117,243</u>
Total Liabilities	<u>301,381,953</u>
Deferred Inflows of Resources	
Leases	29,822,874
Other Postemployment Benefits	60,807,888
Pensions	<u>7,721,061</u>
Total Deferred Inflows of Resources	<u>98,351,823</u>
Total Liabilities and Deferred Inflows	<u>399,733,776</u>
Net Position	
Net Investment in Capital Assets	45,150,162
Restricted	24,310,832
Unrestricted (Deficit)	<u>(247,233,017)</u>
Total Net Position (Deficit)	<u>(177,772,023)</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 221,961,753</u>

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

ONONDAGA-CORTLAND-MADISON BOCES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Administration	\$ 10,226,422	\$ 2,370,643	\$	\$ (7,855,779)
Administration - Capital	2,237,571	3,172,089		934,518
Occupational Instruction	16,888,029	13,275,092	1,231,923	(2,381,014)
Instruction for Special Needs	45,455,973	45,067,180	3,315,855	2,927,062
Itinerant Services	2,647,150	1,837,748	193,100	(616,302)
General Instruction	18,978,423	17,748,822	1,384,410	154,809
Instructional Support	26,810,362	36,485,937	1,955,723	11,631,298
Debt Service - Unallocated Interest Expense	501,219			(501,219)
Other Services	46,898,686	42,256,476		(4,642,210)
Total Functions/Programs	\$ 170,643,835	\$ 162,213,987	\$ 8,081,012	(348,836)
 General Revenues				
Interest and Earnings				1,852,734
(Loss) on Disposal of Assets and Compensation for Loss				(205,415)
Interfund Revenues				1,202,014
Miscellaneous				9,114,401
Total General Revenues				11,963,734
Change in Net Position				11,614,898
Net Position (Deficit), Beginning of Year				(188,853,718)
Cumulative Effect of Change in Accounting Principle				(533,203)
Net Position (Deficit), Beginning of Year (Restated)				(189,386,921)
Net Position (Deficit), End of Year				\$ (177,772,023)

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

ONONDAGA-CORTLAND-MADISON BOCES
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets						
Unrestricted Cash and Cash Equivalents	\$ 39,680,431	\$ 321,095	\$	\$	\$	\$ 40,001,526
Restricted Cash and Cash Equivalents	21,529,326		178,416	1,510	1,464,027	23,173,279
Cash Held with Fiscal Agent					164,630	164,630
Investments - Restricted Receivables				1,210,182		1,210,182
State and Federal Aid		2,210,479				2,210,479
Due from Components	8,795,136					8,795,136
Due from Other Funds	21	6,655,446	32,350		850,000	7,537,817
Lease Receivables	16,608,854					16,608,854
Accounts Receivable	20,089	379,021				399,110
Prepaid Expenditures	128,717	867				129,584
Total Assets	<u>\$ 86,762,574</u>	<u>\$ 9,566,908</u>	<u>\$ 210,766</u>	<u>\$ 1,211,692</u>	<u>\$ 2,478,657</u>	<u>\$ 100,230,597</u>
Liabilities						
Due to Components - Refund of Surplus	\$ 13,854,038	\$	\$	\$	\$	\$ 13,854,038
Accounts Payable	1,687,855	601,145			135,219	2,424,219
Accrued Liabilities	8,454,054	54,439			234	8,508,727
Payroll Withholdings	490,034					490,034
Due To						
Other Funds	7,489,836	32,050	15,931			7,537,817
Teachers' Retirement System	4,793,641					4,793,641
Employees' Retirement System	783,826					783,826
Revenue Anticipation Note	8,500,000					8,500,000
Overpayments and Collections in Advance	1,023,297			968,225		1,991,522
Unearned Revenue	43,324	288,742				332,066
Total Liabilities	<u>47,119,905</u>	<u>976,376</u>	<u>15,931</u>	<u>968,225</u>	<u>135,453</u>	<u>49,215,890</u>
Deferred Inflow of Resources - Leases	<u>29,822,874</u>					<u>29,822,874</u>
Fund Balances (Deficit)						
Nonspendable	128,717	867				129,584
Restricted	21,529,326		194,835	243,467	2,343,204	24,310,832
Assigned	1,504,489	8,589,665				10,094,154
Unassigned (Deficit)	<u>(13,342,737)</u>					<u>(13,342,737)</u>
Total Fund Balances	<u>9,819,795</u>	<u>8,590,532</u>	<u>194,835</u>	<u>243,467</u>	<u>2,343,204</u>	<u>21,191,833</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 86,762,574</u>	<u>\$ 9,566,908</u>	<u>\$ 210,766</u>	<u>\$ 1,211,692</u>	<u>\$ 2,478,657</u>	<u>\$ 100,230,597</u>

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

ONONDAGA-CORTLAND-MADISON BOCES
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE BOCES-WIDE NET POSITION
June 30, 2025

Total Governmental Fund Balances \$ 21,191,833

Amounts reported for governmental activities in the Statement of Net Position differ as follows:

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

Original Cost of Capital Assets	208,165,515
Accumulated Depreciation	(133,674,112)
Original Cost of Intangible Right-to-use Lease Assets	27,275,798
Accumulated Amortization	<u>(19,000,412)</u>
	<u>82,766,789</u>

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

Net Pension Asset - Proportionate Share	5,907,824
Deferred Outflows - Pensions	18,727,052
Net Pension Liability - Proportionate Share	(8,941,249)
Deferred Inflows - Pensions	<u>(7,721,061)</u>
	<u>7,972,566</u>

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

Revenue Bonds Payable	(14,770,000)
Premium on Bonds	(1,285,704)
Accrued Interest Payable	(233,827)
Installment Purchase Agreements	(13,367,900)
Lease Liability	(8,475,542)
Energy Performance Contract	(2,060,685)
Deferred Outflows - OPEB	21,867,308
Other Postemployment Liabilities	(205,480,684)
Deferred Inflows - OPEB	(60,807,888)
Compensated Absences Payable	<u>(5,088,289)</u>
	<u>(289,703,211)</u>

Total Net Position (Deficit) \$ (177,772,023)

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

ONONDAGA-CORTLAND-MADISON BOCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues						
Charges for Services	\$ 22,606	\$ 4,201,566	\$	\$	\$	\$ 4,224,172
Charges to Components - Administration	5,437,738					5,437,738
Charges to Components - Service Programs	118,149,991					118,149,991
Charges to Other BOCES	30,742,296					30,742,296
Charges to Noncomponents	1,486,778					1,486,778
Interest and Earnings (Loss)	1,857,215			(26,470)	21,989	1,852,734
Lease Revenue	16,027,050					16,027,050
Sale of Property and Compensation for Loss	15,436					15,436
Miscellaneous	7,038,059	621,301	38,331		881,718	8,579,409
Refund of Prior Year's Expenditures	1,156,293					1,156,293
Interfund Revenues	19,714			1,182,300	800,000	2,002,014
State and Local Sources		5,754,060				5,754,060
Federal Sources		1,705,651				1,705,651
Total Revenues	<u>181,953,176</u>	<u>12,282,578</u>	<u>38,331</u>	<u>1,155,830</u>	<u>1,703,707</u>	<u>197,133,622</u>
Expenditures						
Administration	10,344,189					10,344,189
Administration - Capital	3,072,649				2,705,029	5,777,678
Occupational Instruction	12,875,108	4,077,487				16,952,595
Instruction for Special Needs	43,176,360	2,372,475				45,548,835
Itinerant Services	2,651,629					2,651,629
General Instruction	14,834,248	4,094,095	62,925			18,991,268
Instructional Support	35,546,989	361,662				35,908,651
Other Services	47,125,859					47,125,859
Capital Outlay					9,529,992	9,529,992
Debt Service - Principal				600,000		600,000
Debt Service - Interest				592,950		592,950
Total Expenditures	<u>169,627,031</u>	<u>10,905,719</u>	<u>62,925</u>	<u>1,192,950</u>	<u>12,235,021</u>	<u>194,023,646</u>
Excess (Deficit) Revenues Over Expenditures	<u>12,326,145</u>	<u>1,376,859</u>	<u>(24,594)</u>	<u>(37,120)</u>	<u>(10,531,314)</u>	<u>3,109,976</u>
Other Financing Sources (Uses)						
Proceeds of Installment Purchase Debt					6,788,091	6,788,091
Proceeds of Leases					2,705,029	2,705,029
Return of Surplus	(13,854,038)					(13,854,038)
Total Other Financing Sources (Uses)	<u>(13,854,038)</u>				<u>9,493,120</u>	<u>(4,360,918)</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	<u>(1,527,893)</u>	<u>1,376,859</u>	<u>(24,594)</u>	<u>(37,120)</u>	<u>(1,038,194)</u>	<u>(1,250,942)</u>
Fund Balances, Beginning of Year	<u>11,347,688</u>	<u>7,213,673</u>	<u>219,429</u>	<u>280,587</u>	<u>3,381,398</u>	<u>22,442,775</u>
Fund Balances, End of Year	<u>\$ 9,819,795</u>	<u>\$ 8,590,532</u>	<u>\$ 194,835</u>	<u>\$ 243,467</u>	<u>\$ 2,343,204</u>	<u>\$ 21,191,833</u>

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

ONONDAGA-CORTLAND-MADISON BOCES
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Changes in Fund Balance - Total Governmental Funds \$ (1,250,942)

Capital Related Differences

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

Right-to-use Lease Assets	2,675,617	
Amortization Expense	(4,470,599)	
Depreciation Expense	(15,059,178)	
Loss on Disposal	(220,851)	
Capital Outlays	<u>18,666,243</u>	1,591,232

Long-Term Debt Transaction Differences

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

Amortization of Premium on Bond	80,357	
Change in Accrued Interest Payable on Bond	11,374	
Principal Payment on Revenue Bond	600,000	
Proceeds of Installment Purchase Debt	(6,788,091)	
Installment Purchase Debt Paid	9,035,952	
Proceeds of Leases	(2,705,029)	
Repayment of Leases	4,495,808	
Principal Payment on Energy Performance Contract	140,690	
OPEB Liability (including deferred outflows and deferred inflows)	5,031,862	
Compensated Absences	<u>(89,202)</u>	9,813,721

(Increases) Decreases in proportionate share of net pension liability and deferred inflows/outflows 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	678,112	
Employees' Retirement System	<u>782,775</u>	<u>1,460,887</u>

Change in Net Position Governmental Activities \$ 11,614,898

ONONDAGA-CORTLAND-MADISON BOCES
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Fiduciary Fund Custodial	Fiduciary Component Unit NYSMEC
Assets		
Cash and Cash Equivalents - Restricted	\$ 15,647	\$ 8,165,229
Accounts Receivable		6,990,644
Total Assets	\$ 15,647	\$ 15,155,873
Liabilities		
Accounts Payable	\$	\$ 4,516,179
Amounts due to Participants		6,061,941
Total Liabilities		10,578,120
Net Position		
Restricted for Extraclassroom Activities	15,647	
Unrestricted		4,577,753
Total Net Position	15,647	4,577,753
Total Liabilities and Net Position	\$ 15,647	\$ 15,155,873

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

ONONDAGA-CORTLAND-MADISON BOCES
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2025

	Fiduciary Fund Custodial	Fiduciary Component Unit NYSMEC
Additions		
Charges for Services, Sale of Property, and Miscellaneous	\$ 12,598	\$
State Aid Received for Other Governments	49,608,614	
Billings of Estimated Energy Costs		66,061,181
Interest Income		<u>655,748</u>
Total Additions	<u>49,621,212</u>	<u>66,716,929</u>
Deductions		
Club Activities	13,500	
State Aid Payments Distributed to Other Governments	49,608,614	
Expenditures for Energy		66,061,181
Participant Legal Expense		
Total Deductions	<u>49,622,114</u>	<u>66,061,181</u>
Change in Net Position	(902)	655,748
Net Position, Beginning of Year	<u>16,549</u>	<u>3,922,005</u>
Net Position, End of Year	<u>\$ 15,647</u>	<u>\$ 4,577,753</u>

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

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Onondaga-Cortland-Madison BOCES (the BOCES) have been prepared in conformity with accounting principles generally accepted in the United States of America as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Financial Reporting Entity

The BOCES is governed by the laws of New York State. The BOCES is an independent entity governed by an elected Board of Education consisting of eleven members. The Board is responsible for, and controls all activities related to public school education within the BOCES. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

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

(a) *Extraclassroom Activity Funds*

The Extraclassroom Activity Funds of Onondaga-Cortland-Madison BOCES represent funds of the students of BOCES. The Board of Cooperative Educational Services exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of BOCES with respect to its financial transactions and designation of student management. The BOCES accounts for assets held as an agent for the various student organizations in a Fiduciary Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the BOCES' business office at 110 Elwood Davis Road, Liverpool, NY 13088.

(b) *Fiduciary Component Unit*

The BOCES participates and serves as the administrative participant in the New York School and Municipal Energy Consortium (NYSMEC). This is a cooperative agreement under Article 5(G) of the New York Municipal Law for the purpose of purchasing natural gas and/or electricity. The participating municipal corporations include school districts, BOCES, cities, villages, and county governments. The Consortium was established under a master agreement dated April 2, 1999.

As an administrative participant, BOCES cooperatively negotiates fixed price purchases of natural gas and electricity for itself and 110 other municipalities. A separate account is maintained for each participant. The expenses for the natural gas and electricity are paid by the administrative participant. At the end of the fiscal year, a reconciliation is performed on each participant's account, balancing the amount paid for the six installments and the actual expenditures for the participant's energy usage. The differences are refunded to the participant in the case of an overpayment or collected from the participant in the case of an underpayment.

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All of the financial data for the Consortium was derived from the Consortium's audited financial statements for its fiscal year ended April 30, 2025. These financial statements can be found at the BOCES' Business Office located at 110 Elwood Davis Road, Liverpool, NY 13088.

Joint Ventures

(a) *Insurance Consortium*

The BOCES is the sponsoring agency for the Onondaga-Cortland-Madison BOCES Cooperative Health Insurance Fund of Central New York and the Onondaga-Cortland-Madison Workers' Compensation Consortium. Both consortiums are governed by separate Boards that have overall administrative responsibility and make management decisions. Both Consortiums are municipal corporations operating in the Onondaga-Cortland-Madison area to provide cooperative programs for health benefits and workers' compensation benefits, respectively, to municipal employees by entering into intermunicipal agreements pursuant to Article 5-G of the General Municipal Law.

Separate audited financial statements of the Onondaga-Cortland-Madison Cooperative Health Insurance Fund of Central New York and the Onondaga-Cortland-Madison Workers' Compensation Consortium can be found at the BOCES' Business Office located at 110 Elwood Davis Road, Liverpool, NY 13088.

Basis of Presentation

(a) *BOCES-Wide Statements*

The Statement of Net Position and the Statement of Activities present financial information about the BOCES' governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through charges for services, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column, if any, reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the BOCES' governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all charges for services, are presented as general revenues.

(b) *Fund Financial Statements*

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

General Fund: This is the BOCES' primary operating fund. This accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds –

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as federal and state grants, that are restricted or committed to expenditures for specified purposes other than debt service and capital projects.

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the BOCES' scholarship funds. The BOCES has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the BOCES or representatives of the donors may serve on committees to determine who benefits.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition, lease, or construction of capital facilities and other capital assets.

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

(c) *Fiduciary Funds*

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

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the BOCES as agent for various student groups or extraclassroom activity funds.

Fiduciary Component Unit: A component unit, under the criteria of GASB, is considered fiduciary in nature if the assets are for the benefit of organizations or other governments that are not part of the BOCES. In addition, the assets are not derived from the BOCES' provision of goods or services to those organizations or other governments. The BOCES has one entity that meets the criteria of a fiduciary component unit, the New York School and Municipal Energy Consortium (NYSMEC). NYSMEC is discussed in more detail in Note 1(b) to the Financial Statements.

Measurement Focus and Basis of Accounting

The BOCES-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the BOCES gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The BOCES considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds when paid. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Postretirement health insurance costs are recognized as an expenditure when funded. The unfunded portion has not been actuarially determined and is not recorded as a long-term liability.

Estimates

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

Budgetary Procedures and Budgetary Accounting

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

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

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The Board of Cooperative Educational Services must approve all modifications to the budget. However, the BOCES Superintendent is authorized to transfer certain budgeted amounts within departments. The BOCES' cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the BOCES' investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Receivables

Tuition receivables in the Special Aid fund are reported net of an allowance of \$165,411. Management estimates the allowance for uncollectible accounts based on historical collection experience, the aging of receivables, and current economic conditions. All other receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided for any other receivables since it is believed that such allowance would not be material.

Investments

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

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

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

Prepaid Items

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

Insurance

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

Interfund Transactions and Transfers

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 8 to the financial statements.

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Capital Assets

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

The BOCES uses capitalization thresholds of \$500 (the dollar value above which assets acquisitions are added to the capital assets accounts for grouped-like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the BOCES-wide statements are as follows:

	Lives	Depreciation Method
Furniture, Equipment, and Vehicles	3-10 Years	Straight Line
Buildings and Improvements	15-50 Years	Straight Line

Right to Use Leased Assets

The BOCES has recorded right to use lease assets as a result of implementing GASB 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease ranging from 5 to 15 years.

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The BOCES has two items that qualify for reporting in this category. The first item is related to pensions reported in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the BOCES’ proportion of the collective net pension asset or liability and difference during the measurement period between the BOCES’ contributions and its proportionate share of total contributions not included in pension expense. The second item relates to OPEB reporting in the BOCES-wide Statement of Net Position. This represents the employer contributions subsequent to the measurement date and the effect of the net change in the actual and expected experience and changes in assumptions.

Compensated Absences

The BOCES employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

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

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

Other Benefits

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, the BOCES provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if BOCES employees are eligible for these benefits if they reach normal retirement age while working for the BOCES. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the BOCES and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 5).

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Short-Term Debt

The BOCES may issue revenue anticipation notes (RAN) in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's will be extinguished by the revenues for which the notes were issued.

Accrued Liabilities and Long-Term Obligations

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

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

Unearned Revenue

Unearned revenues arise when resources are received by the BOCES before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the BOCES has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Deferred Inflows of Resources

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

Equity Classifications

(a) *BOCES-wide Statements*

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

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

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

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

(b) *Fund Statements*

The BOCES follows GASB's authoritative guidance under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

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

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Nonspendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of prepaid expenditures in the General Fund and Special Aid Fund.

Restricted Fund Balance

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the BOCES' policy is to use restricted resources only when appropriated by the Board of Education. When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the BOCES' policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The BOCES has established the following restricted fund balances:

- ***Unemployment Insurance Reserve*** – According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the BOCES elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.
- ***Reserve for Retirement Contributions*** – The Retirement Contribution Reserve (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. The Board adopted a resolution in May 2019 to establish a sub-fund for the BOCES. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.
- ***Reserve for Employee Benefits Accrued Liability*** – According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- ***Reserve for Liability*** – This reserve is used to pay for liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General Fund.
- ***Reserve for Career Educational Instructional Equipment*** – This reserve is available only to BOCES for the replacement and purchase of advanced technology equipment used in instructional programs conducted by the BOCES. It may be established upon approval of the BOCES and of the school boards of a majority of the districts participating in the instructional programs of the BOCES. This reserve is accounted for in the Capital Fund.
- ***Reserve for Scholarships*** – This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.
- ***Debt Service Fund*** – This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

ONONDAGA-CORTLAND-MADISON BOCES
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- **Capital Fund** – This fund is used to account for and report the financial resources that are restricted for acquisition, construction or major repair of capital facilities, and is accounted for in the Capital Fund.

Unrestricted Resources

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

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the BOCES' highest level of decision-making authority; i.e. the Board of Education. The BOCES has no committed fund balances as of June 30, 2025.

Assigned - Includes amounts that are constrained by the BOCES' intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances other than in the Capital Fund are classified as Assigned Fund Balance in the respective fund.

Unassigned - Includes all other net positions that do not meet the definition of the above classifications and are deemed to be available for general use by the BOCES. In other Governmental Funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned, then it may be necessary to report negative unassigned Fund Balances in the respective fund.

Order of Use of Fund Balance

The BOCES' policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Committed and assigned fund balances are determined next, with any remaining fund balance reported as unassigned.

Implementation of New Accounting Standards

Effective for the fiscal year ended June 30, 2025, the BOCES implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the BOCES recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The BOCES applied the provisions of GASB 101 prospectively as of July 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of beginning net position (deficit) was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in Note 12.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. This standard is effective for fiscal years beginning after June 15, 2024.

Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also addresses certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

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

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

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

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

The total fund balances of the BOCES' governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

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

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

(a) *Long-Term Revenue/Expenditure Differences*

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

(b) *Capital Related Differences*

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

(c) *Long-Term Debt Transaction Differences*

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

(d) *Pension Differences*

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

(e) *OPEB Differences*

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

(f) *Employee Benefit Allocation*

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

3. DETAIL NOTES ON ALL FUNDS

Assets

(a) *Restricted Cash and Cash Equivalents*

Restricted cash and cash equivalents of \$21,529,326 in the General Fund represents funds held in the Liability Reserve, Unemployment Insurance Reserve, Retirement Contribution Reserve, and Employee Benefit Accrued Liability Reserve established by the BOCES.

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Restricted cash and cash equivalents of \$178,416 in the Miscellaneous Special Revenue Fund represents funds held by the BOCES for future scholarship awards.

Restricted cash and cash equivalents of \$1,464,027 in the Capital Fund represents amounts held by the BOCES for capital projects and the Career Educational Instructional Equipment Reserve.

Restricted cash and cash equivalents and investments of \$1,211,692 in the Debt Service Fund represents funds held by the BOCES for future debt service payments.

Restricted cash and cash equivalents of \$15,647 in the Custodial fund represents funds held by the BOCES for the various student club activities.

Restricted cash and cash equivalents of \$8,165,229 in the Fiduciary Component Unit, NYSMEC, represents funds held to pay for natural gas and electricity on behalf of its participants. .

(b) Custodial Credit Risk

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

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

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

As of June 30, 2025, BOCES' bank balances of \$66,206,188 were fully collateralized by FDIC and with securities held by an agent of the pledging financial institution in the BOCES' name.

(c) Investments - Restricted

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

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

The investments are from the intercepted BOCES' State Aid to pay the debt service on revenue bonds. The investments consist of only United States Treasury Bills and Notes. These securities are considered Level 1 because the valuation is based on quoted market prices. The investments are registered and held by the financial institution's trust department in the name of the Dormitory Authority of the State of New York (DASNY) and BOCES. The net change in the unrealized gain or loss is recognized as investment income. The income received from these investments is to be used to offset future debt service costs.

The investments at June 30, 2025, are as follows:

Description	Quantity	Cost	Fair Value	Gain
Debt Service Fund				
U.S. Treasury Note, 3.125%, Due 08/15/2025 Level 1	961,000	\$ 951,202	\$ 959,367	\$ 8,165
U.S. Treasury Bill, 0.00% Due 10/30/2025, Level 1	210,000	205,731	207,047	1,316
U.S. Treasury Bill, 0.00% Due 08/14/2025, Level 1	44,000	43,142	43,768	626
Total Investments		<u>\$ 1,200,075</u>	<u>\$ 1,210,182</u>	<u>\$ 10,107</u>

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

(d) **Capital Assets**

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 3,927,515	\$	\$	\$ 3,927,515
Construction In Progress	285,410	312,993	285,410	312,993
Total	4,212,925	312,993	285,410	4,240,508
Capital Assets Being Depreciated				
Buildings and Improvements	45,063,400	1,143,394		46,206,794
Furniture, Equipment and Vehicles	149,798,565	17,495,266	9,575,618	157,718,213
Total	194,861,965	18,638,660	9,575,618	203,925,007
Accumulated Depreciation				
Buildings and Improvements	15,778,332	956,773		16,735,105
Furniture, Equipment and Vehicles	112,191,369	14,102,405	9,354,767	116,939,007
Total	127,969,701	15,059,178	9,354,767	133,674,112
Net Capital Assets Being Depreciated	66,892,264	3,579,482	220,851	70,250,895
Net Capital Assets	\$ 71,105,189	\$ 3,892,475	\$ 506,261	\$ 74,491,403

Depreciation expense \$15,059,178 is charged as follows:

Function/Program	
Administration	\$ 918,505
Administration-Capital	269,238
Occupational Instruction	1,077,043
Instruction for Special Needs	3,926,239
Itinerant Services	244,237
General Instruction	1,397,412
Instructional Support	3,268,352
Other Services	3,958,153
Total Depreciation	\$ 15,059,178

(e) **Intangible Right-to-use Lease Assets**

Right to use lease asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Buildings	\$ 6,655,699	\$ 1,757,140	\$	\$ 8,412,839
Leased Equipment	17,944,481	918,477		18,862,958
Total	24,600,180	2,675,617		27,275,797
Accumulated Amortization				
Leased Buildings	4,676,374	842,433		5,518,807
Leased Equipment	9,853,438	3,628,166		13,481,604
Total	14,529,812	4,470,599		19,000,411
Net Right to Use Leased Assets	\$ 10,070,368	\$ (1,794,982)		\$ 8,275,386

Amortization expense is charged as follows:

Function/Program	
Other Services	\$ 4,470,599

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

(f) Lease Receivable and Lessor Agreements

The BOCES has entered into agreements with School Districts and other BOCES to lease various technology equipment and digital printers. These lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded as a receivable at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates from 2021 to 2025 and are for a term of 3-5 years. The interest rates on the receivables range from 0.085% to 4.827%. However, for some of the agreements the payments are received up front and therefore there no receivables due from the lessee.

As a result of these lease agreements, the BOCES has recorded a deferred inflow of resources at June 30, 2025 of \$29,822,874. For the year ended June 30, 2025, the BOCES recognized \$16,027,050 in lease revenue and \$877,573 in lease interest revenue. Also, during the year ended June 30, 2025, the BOCES issued new leases resulting in new receivable additions of \$7,158,996.

Future payments due to the BOCES under these are agreements are as follows:

For the Year Ending June 30,	Lease Receivables		
	Principal	Interest	Total
2026	\$ 7,552,303	\$ 597,397	\$ 8,149,700
2027	5,801,110	353,778	6,154,888
2028	2,608,709	125,203	2,733,912
2029	646,733	22,980	669,713
Total	\$ 16,608,854	\$ 1,099,359	\$ 17,708,212

Recognition of the deferred inflows under these agreements will be as follows:

For the Year Ending June 30,	Deferred Inflow
2026	9,770,716
2027	8,014,598
2028	6,012,327
2029	4,105,503
2030	1,919,730
Total	\$ 29,822,874

Liabilities

(a) Short-Term Debt

Revenue Anticipation Notes (RANs) – For Governmental funds, notes issued in anticipation of the receipt of revenues is recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes.

The following is a description of the RAN outstanding during the year ended June 30, 2025:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund RAN	6/17/2025	\$ 8,500,000	6/17/2026	4.375	\$ 8,500,000

The change in the short-term debt is as follows:

Description	Balance 07/01/24	Issued	Paid	Balance 06/30/25
General Fund				
RAN- Due 6/20/2025	\$ 7,000,000	\$	\$ 7,000,000	\$
RAN- Due 6/17/2026		8,500,000		8,500,000
Total Governmental Activities	\$ 7,000,000	\$ 8,500,000	\$ 7,000,000	\$ 8,500,000

Interest expense for the RAN totaled \$323,750 and is included in the BOCES' administrative expenditures.

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

(b) Long-Term Debt

Long-Term Debt balances and activity are as follows:

<u>Description</u>	Beginning Balance	Restatement	Restated Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable							
Revenue Bonds Payable	\$ 15,370,000	\$	\$ 15,370,000	\$	\$ 600,000	\$ 14,770,000	\$ 630,000
Premium on Bond	1,366,061		1,366,061		80,357	1,285,704	80,357
Other Liabilities							
Installment Purchase Obligations	15,615,761		15,615,761	6,788,091	9,035,952	13,367,900	6,432,397
Energy Performance Contract	2,201,375		2,201,375		140,690	2,060,685	144,953
Lease Liability	10,266,321		10,266,321	2,705,029	4,495,808	8,475,542	2,618,693
Other Postemployment Benefits	223,730,222		223,730,222	17,512,327	35,761,865	205,480,684	
Compensated Absences	4,465,884	533,203	4,999,087	89,202		5,088,289	1,005,897
Total Noncurrent Liabilities	<u>\$ 273,015,624</u>	<u>\$ 533,203</u>	<u>\$ 273,548,827</u>	<u>\$ 27,094,649</u>	<u>\$ 50,114,672</u>	<u>\$ 250,528,804</u>	<u>\$ 10,912,297</u>

Principal and interest payments due on long-term debt are as follows:

	<u>Revenue Bonds</u>				<u>Installment Purchase Agreements</u>		
	Principal	Interest	Total		Principal	Interest	Total
2026	\$ 630,000	\$ 632,200	\$ 1,262,200	2026	\$ 6,432,397	\$ 546,139	\$ 6,978,536
2027	660,000	599,950	1,259,950	2027	4,521,633	296,216	4,817,849
2028	695,000	566,075	1,261,075	2028	1,977,563	104,504	2,082,067
2029	730,000	530,450	1,260,450	2029	436,307	18,360	454,667
2030	765,000	493,075	1,258,075	Total	<u>\$ 13,367,900</u>	<u>\$ 965,219</u>	<u>\$ 14,333,119</u>
2031-2035	4,395,000	1,887,700	6,282,700				
2036-2040	5,405,000	857,075	6,262,075				
2041-2042	1,490,000	40,800	1,530,800				
Total	<u>\$ 14,770,000</u>	<u>\$ 5,607,325</u>	<u>\$ 20,377,325</u>				

Revenue Bonds – In June 2015, the BOCES entered into a financing agreement with the Dormitory Authority of the State of New York (DASNY) consisting of program lease revenue bonds in which the BOCES guarantees the payment of principal and interest on bonds issued by the DASNY. The financing agreement is part of a building expansion and alteration project approved by a majority vote of the residents of the component districts.

In April 2020, the BOCES entered into a financing agreement with the Dormitory Authority of the State of New York (DASNY) consisting of DASNY issuing tax-exempt program lease revenue bonds on behalf of the BOCES, the proceeds of which were used to finance a voter approved capital project to acquire land and a building on Crown Road, in the Town of Clay, New York. The terms of the DASNY revenue bonds are as follows:

<u>Description</u>	<u>Date of Issuance</u>	<u>Original Amount</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Amount</u>
Education Center	6/30/2015	\$ 5,890,000	8/15/2040	4.0-5.0%	\$ 4,545,000
Crown Road Building	4/24/2020	\$ 11,615,000	8/15/2041	1.50-2.74%	10,225,000
Total					<u>\$ 14,770,000</u>

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

Revenue Bond Premiums

The Revenue bonds issued in 2020 and 2015 for \$11,615,000 and \$5,890,000 were issued at a premium of \$1,235,000 and \$561,122, respectively. While these amounts were recognized as revenue in the Debt Service Fund, they are considered unearned revenue on the BOCES-wide financial statements. The premiums are being amortized until the bonds mature in 2041. The total premiums amortized for the year ending June 30, 2025, was \$80,357, and the remaining unamortized balance is reported as a deferred bond premium in the amount of \$1,285,704.

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Total interest for the year was as follows:

Interest Paid	\$	592,950
Less: Interest Accrued in the Prior Year		(245,201)
Less: Current Year Amortization on Bond Premium		(80,357)
Plus: Interest Accrued in the Current Year		<u>233,827</u>
Total Interest Expense on Long-Term Debt		<u><u>\$ 501,219</u></u>

Installment Purchase Agreements

The BOCES is obligated under certain installment purchase agreements at various incremental interest rates ranging from .085% to 4.827%. Assets purchased under the agreements totaled \$42,815,729 at June 30, 2025. This equipment is leased to the various participants at the cost of the lease agreement.

Interest expense on installment purchase agreements for the year ended June 30, 2025, was \$729,452 and is reported as a program expenditure.

Lease Liability

The BOCES has entered into agreements with various vendors to lease certain equipment such as copiers and other technology equipment, as well as facility space. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. Details on the various leases are as follows:

	Commencement Year	Term (In Years)	Annual Payment Amount
Digital Printing	2021-2025	3-5	\$802-\$237,960
Vehicles	2021-2025	3-5	\$1,523-\$13,206
Facilities	2016-2025	5-15	\$40,657-\$635,152

The lease liability has been measured at a discount rate ranging from 1.57%-4.83%. As a result of these leases, the BOCES has recorded a right to use asset with a net book value of \$8,275,386 at June 30, 2025. Future lease payments are as follows:

For the Year Ending June 30,	Lease Liability		
	Principal	Interest	Total
2026	\$ 2,618,693	\$ 182,027	\$ 2,800,720
2027	2,450,481	188,563	2,639,044
2028	1,409,897	111,102	1,520,999
2029	741,002	68,482	809,484
2030	324,726	48,311	373,037
2031	327,571	36,619	364,190
2032	193,019	24,781	217,800
2033	200,949	16,851	217,800
2034	<u>209,204</u>	<u>8,595</u>	<u>217,799</u>
Total	<u><u>\$ 8,475,542</u></u>	<u><u>\$ 685,330</u></u>	<u><u>\$ 9,160,873</u></u>

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

4. PENSION PLANS

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

(a) *Plan Description*

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

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

(b) *Contributions*

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 contribute must contribute at a specific percentage of earnings (between 3 and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2025, were paid. The required contributions for the current year and two preceding years were:

	<u>Amount</u>
2023	\$ 2,097,135
2024	\$ 2,330,127
2025	\$ 2,786,064

(c) *Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2025, the BOCES reported liability of \$8,941,249 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024. The BOCES' proportion of the net pension liability was based on a projection of the BOCES' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, and 2024, the BOCES' proportion was .0521486% and .053962%.

For the year ended June 30, 2025, the BOCES recognized a pension credit of \$782,775. At June 30, 2025, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,219,278	\$ 104,685
Change of assumptions	374,978	
Net difference between projected and actual earnings on pension plan investments	701,505	
Changes in proportion and differences between contributions and proportionate share of contributions	571,895	334,680
Contributions subsequent to the measurement date	<u>783,826</u>	<u> </u>

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from BOCES contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended June 30:

2026	\$ 1,672,668
2027	\$ 2,353,306
2028	\$ (705,036)

(d) Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024 with update procedures used to roll forward the total pension liability to March 31, 2025.

Significant actuarial assumptions used in the April 1, 2024 valuation were as follows:

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

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below.

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

	1.50%	
Cost of Living Adjustments		Long-Term
Asset Class	Target Allocation	Expected Real Rate of Return
Domestic equity	25.00%	3.54%
International equity	14.00%	6.57%
Private equity	15.00%	7.25%
Real estate	12.00%	4.95%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	4.00%	5.55%
Fixed Income	22.00%	2.00%
Cash	1.00%	0.25%

**Real rates of return are net of the long-term inflation assumption of 2.9%.*

(e) Discount Rate

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

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

The following presents the BOCES' proportionate share of the net pension liability calculated using the discount rate of 5.9% percent, as well as what the BOCES' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	1%	Current	1%
	Decrease	Assumption	Increase
	<u>(4.9%)</u>	<u>(5.9%)</u>	<u>(6.9%)</u>

Proportionate share of

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The BOCES has recorded an amount due to ERS in the General Fund of \$783,826 at June 30, 2025. This amount represents the three months of the BOCES's fiscal year that will be covered in the ERS 2025-2026 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

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

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

(b) Contributions

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

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

	Amount
2023	\$ 3,758,314
2024	\$ 3,690,620
2025	\$ 3,954,282

(c) Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the BOCES reported an asset of \$5,907,824 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. The BOCES’ proportion of the net pension liability was based on a projection of the BOCES’ long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the BOCES’ proportion was .198009% which was an increase of .000231% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the BOCES recognized a pension credit of \$678,112. At June 30, 2025, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO BASIC FINANCIAL STATEMENTS
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,361,642	\$
Changes of assumptions	3,534,076	594,465
Net difference between projected and actual earnings on Pensions plan investments		6,564,096
Changes in proportion and differences between contributions and proportionate share of contributions	225,570	123,135
Contributions subsequent to the measurement date	3,954,282	
Total	\$ 14,075,570	\$ 7,281,696

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

Year ended June 30:

2025	\$ (2,977,113)
2026	\$ 7,294,084
2027	\$ (1,161,526)
2028	\$ (1,356,110)
2029	\$ 744,249
Thereafter	\$ 296,008

(d) Actuarial Assumptions

The total pension liability at June 30, 2024 measurement date was determined by using an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The actuarial valuation used the following actuarial assumptions.

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

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually.
Inflation rate	2.4%

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The actuarial assumptions used in the June 30, 2024 valuations were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.0%	6.6%
International equity	15.0%	7.4%
Global equity	4.0%	6.9%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.0%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.5%
Private debt	2.0%	5.9%
Real estate debt	6.0%	3.9%
High-yield bonds	1.0%	4.8%
Cash equivalents	1.0%	0.5%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2024.

(e) Discount Rate

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

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (asset)	\$ 27,288,580	\$ (5,907,824)	\$ (33,826,891)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The BOCES has recorded an amount due to TRS of \$3,954,282 (excluding the employees' share) in the General Fund at June 30, 2025. This amount represents the contribution for the 2024-2025 fiscal year that will be made in 2025-2026 and has been accrued as an expenditure in the current year.

**ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

5. POSTRETIREMENT HEALTH CARE BENEFITS

(a) *Plan Description and Benefits Provided*

The BOCES provides a self-insured traditional indemnity plan to eligible retirees and dependents through the Cooperative Health Insurance Fund of CNY. All active employees and retirees are subject to the eligibility requirements set forth by their respective New York State Retirement Systems and employee groups. Contribution amounts are determined by contract through respective employee groups.

Eligibility:

- All Teachers and COMBO Unit members hired on/after January 1, 2005 must attain a minimum age of 55 and provide a minimum of 15 years of service with the BOCES.
- All other members must be at least 55 years of age and have at least 10 years of service with the BOCES.
- For all retirees who were hired prior to April 1, 1983, the BOCES provides full Medicare Part B premium reimbursement for both retirees and spouses.

Benefit Cost Sharing: Retiree contribution requirements are dependent on the members' employee group and date of retirement as follows:

Contribution (Ind./Fam.)	Available to:
0%/25%	Mid-Level Administrators who retired prior to January 1, 2007
	Non-Rep Admin, Confidential, and Non-Rep retired prior to January 1, 2007
	COMBO retired prior to July 1, 2003
	OCMBFT retired prior to July 1, 2003
0%/0%	Former Superintendents
5%/25%	OCMBFT retired between July 1, 2003-June 30, 2007
\$150/25%	COMBO retired between July 1, 2003-December 31, 2007
10%/25%	Mid-Level Administrators retired between January 1, 2007- June 30, 2015
	COMBO retired on/after January 1, 2008
	OCMBFT retired between July 1, 2015 and June 30, 2017
	Non-Rep Admin, Confidential, and Non-Rep retired between January 1, 2007 - June 30, 2015
15%/30%	OCMBFT retired on/after July 1, 2017
	Mid-Level Administrators, Non-Rep Admin, and Non-Rep retired between July 1, 2015-June 30, 2017
15%/35%	Mid-Level Administrators, Non-Rep Admin, and Non-Rep retired on/after July 1, 2017

(b) *Employees Covered by Benefit Terms*

	Total
Inactive employees currently receiving benefit payments	557
Active employees	903
Total	1,460

(c) *Total OPEB Liability*

The BOCES' total OPEB liability of \$205,480,684 was measured as of July 1, 2024, and based upon an actuarial valuation as of July 1, 2024.

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

(d) Changes in the Total OPEB Liability

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

Balances, June 30, 2024	\$ <u>223,730,222</u>
Changes recognized for the year:	
Service cost	9,126,012
Interest on Total OPEB Liability	8,386,315
Changes between expected and actual experience	(8,525,654)
Changes in assumptions and other inputs	(21,047,903)
Benefit payments	<u>(6,188,308)</u>
Net changes	<u>(18,249,538)</u>
 Balances, June 30, 2025	 \$ <u><u>205,480,684</u></u>

Changes of assumptions and other inputs reflect changes in assumptions regarding inflation, healthcare cost trends, salary changes, ad hoc postemployment benefit changes (including ad hoc COLAs), and the sharing of benefit-related costs with inactive employees.

(e) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	1% Decrease <u>(2.93%)</u>	Current Assumption <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB liability	\$ 240,259,265	\$ 205,480,684	\$ 177,570,112

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

The following presents the total OPEB liability of the BOCES, as well as what the BOCES' total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.80-2.94 percent) or 1 percentage point higher (8.80-4.94 percent) than the current healthcare cost trend rate:

	1% Decrease <u>(5.50%-3.04%)</u>	Current Assumption <u>(6.50%-4.04%)</u>	1% Increase <u>(7.50%-5.04%)</u>
Total OPEB liability	\$ 174,745,971	\$ 205,480,684	\$ 245,113,638

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

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

For the year ended June 30, 2025, the BOCES recognized OPEB credit of \$5,031,862. At June 30, 2025, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 15,040,764	\$ 35,152,596
Differences between expected and actual experience		25,655,292
Contributions subsequent to the measurement date	6,826,544	
Total	\$ 21,867,308	\$ 60,807,888

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

Year ended June 30:		<u>Amount</u>
2026	\$	(9,173,742)
2027		(7,311,640)
2028		(9,567,175)
2029		(10,644,644)
2030		(4,639,656)
2031 and thereafter		(4,430,267)

(h) Actuarial Methods and Assumptions

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

Inflation rate	2.60%
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Healthcare Cost Trend Rates	6.50 percent for 2025, decreasing to 4.04% for 2095 and later
Valuation Date	July 1, 2024
Measurement Date	July 1, 2024
Reporting Date	June 30, 2025
Salary Changes	3.00%
Discount Rate	3.93%
Mortality	Pub-2010 Mortality Table for employees and healthy annuitants, sex distinct, job category-specific, headcount weighted, and adjusted with scale MP-2021 on a generational basis

The selected discount rate of 3.93% is an input taken from the rate for a 20-year high quality tax-exempt municipal bond index as of the measurement date.

Mortality tables were updated to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2021.

The discount rate changed from 3.65% to 3.93%, which is a prescribed discount rate under GASB 75 (taken from the rate for a 20-year high-quality tax-exempt municipal bond index).

6. BUDGET REVISIONS

The budget was increased by \$1,985,887 for 2024 encumbrances and \$9,757,433 to provide for changes in program services by the component districts. The increases were approved by the Board.

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

7. RISK MANAGEMENT

Risk Financing and Related Insurance

Onondaga-Cortland-Madison BOCES is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. BOCES administers and participates in the Onondaga-Cortland-Madison Consortium consisting of 24 other governmental entities for their health insurance coverage, as well as, in the Onondaga-Cortland-Madison Workers' Compensation Consortium consisting of Onondaga-Cortland-Madison BOCES and various other school districts for its workers' compensation insurance coverage.

Onondaga-Cortland-Madison BOCES participates in a non-risk retained public entity risk pool for its employee health insurance coverage. A member of the Health Consortium may withdraw from the plan by submitting a notice of withdrawal by May 1 preceding the school year of withdrawal. Upon withdrawal, the Board will determine amounts owed by the member or amounts that may be due to the withdrawing member. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Premiums paid to the health consortium totaled \$17,527,538 for the year ended June 30, 2025.

Onondaga-Cortland-Madison BOCES participates in a Workers' Compensation Consortium for its employees. Benefits are provided through self-funding by the individual participants through the purchase of insurance and through the purchase of "stop-loss" coverage. A member may withdraw from the Plan by submitting a notice of withdrawal by May 1 preceding the school year of withdrawal. Upon withdrawal, the Board will determine amounts owed by the member or amounts that may be due to the withdrawing member. The BOCES funds its portion of the program through the General Fund and premiums due to the Workers' Compensation Consortium totaled \$690,997 for the year ended June 30, 2025.

BOCES continues to carry commercial insurance for all other risks of loss such as general liability insurance.

8. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund activity at June 30, 2025, were as follows:

Fund	Interfund	
	Receivables	Payables
General	\$ 21	\$ 7,489,836
Special Aid	6,655,446	32,050
Miscellaneous Special Revenue	32,350	15,931
Capital Fund	850,000	
Total	\$ 7,537,817	\$ 7,537,817

- Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.
- The BOCES typically loans resources between funds for the purpose of mitigating the effects of temporary cash flow shortages.
- All interfund payables are expected to be repaid within one year.

9. FUND BALANCE

The following is a summary of the change in selected General Fund restricted fund balance during the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Unemployment Insurance Reserve	\$ 1,465,151	\$ 230,142	\$ 101,888	\$ 1,593,405
Retirement Contribution Reserve - ERS	11,342,422	3,404,565	4,297,211	10,449,776
Retirement Contribution Reserve - TRS	3,865,514	194,350	278,491	3,781,373
Liability Reserve	858,970	41,320	41,194	859,096
Employee Benefit Accrued Liability Reserve	4,738,273	735,327	627,924	4,845,676
	\$ 20,631,771	\$ 4,605,704	\$ 5,346,708	\$ 21,529,326

ONONDAGA-CORTLAND-MADISON BOCES
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Nonspendable	\$ 128,717	\$ 867	\$ _____	\$ _____	\$ _____	\$ 129,584
Restricted						
Unemployment Insurance Reserve	1,593,405					1,593,405
Retirement Contribution Reserve-ERS	10,449,776					10,449,776
Retirement Contribution Reserve-TRS	3,781,373					3,781,373
Liability Reserve	859,096					859,096
Employee Benefit Accrued Liability Reserve	4,845,676					4,845,676
Career Educational Instructional Equipment Reserve					1,559,461	1,559,461
Scholarships			194,835			194,835
Capital Projects					783,743	783,743
Reserve for Debt Service				243,467		243,467
Total Restricted	<u>21,529,326</u>	<u>_____</u>	<u>194,835</u>	<u>243,467</u>	<u>2,343,204</u>	<u>24,310,832</u>
Assigned						
Special Aid Fund		8,589,665				8,589,665
Encumbrances	1,504,489					1,504,489
Total Assigned	<u>1,504,489</u>	<u>8,589,665</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>10,094,154</u>
Unassigned (Deficit)	<u>(13,342,737)</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>(13,342,737)</u>
Total Fund Balance	<u>\$ 9,819,795</u>	<u>\$ 8,590,532</u>	<u>\$ 194,835</u>	<u>\$ 243,467</u>	<u>\$ 2,343,204</u>	<u>\$ 21,191,833</u>

10. CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability

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

11. NET POSITION DEFICIT – BOCES-WIDE

The BOCES-wide net position had an unrestricted deficit at June 30, 2025 of \$247,233,017 and a total net position deficit of \$177,772,023. The deficit is primarily the result of the recognition of an unfunded OPEB liability of \$205,480,684 at June 30, 2025, as required by GASB Statement No. 75. Since New York State Law provides no mechanism for funding the liability, any subsequent accruals are expected to increase the deficit.

12. CUMMULATIVE EFFECT OF IMPLEMENTING CHANGE IN ACCOUNTING PRINCIPLE

As the result of implementing GASB Statement No. 101, *Compensated Absences*, the BOCES has restated the beginning net position in the Statement of Net Position of July 1, 2024, to reflect the additional liability for compensated absences required by this implementation as follows:

	Government-Wide
Net Position (Deficit) Beginning of Year, As Previously Stated	\$ (188,853,718)
Increase in Compensated Absences Liability as a result of GASB Statement No. 101 Implementation	(533,203)
Net Position (Deficit) Beginning of Year, As Restated	<u>\$ (189,386,921)</u>

ONONDAGA-CORTLAND-MADISON BOCES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Administration	\$ 10,584,484	\$ 10,591,640	\$ 11,221,771		\$ 630,131
Administration - Capital	3,231,627	3,231,627	3,231,627		
Occupational Instruction	13,044,187	13,174,428	12,993,841		(180,587)
Instruction for Special Needs	48,314,784	46,755,527	46,443,016		(312,511)
Itinerant Services	3,331,459	3,281,471	3,291,471		10,000
General Instruction	14,945,801	17,477,525	17,340,599		(136,926)
Instruction Support	34,528,278	39,465,524	38,698,172		(767,352)
Other Services and Internal Services	46,399,743	50,160,054	48,732,679		(1,427,375)
Total Revenues	<u>\$ 174,380,363</u>	<u>\$ 184,137,796</u>	<u>181,953,176</u>		<u>\$ (2,184,620)</u>
	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual
Expenditures					
Administration	\$ 10,584,484	\$ 10,591,640	\$ 10,344,189		\$ 247,451
Administration - Capital	3,231,627	3,231,627	3,072,649		158,978
Occupational Instruction	13,044,187	13,174,429	12,875,108	37,287	262,034
Instruction for Special Needs	48,314,784	46,755,531	43,176,360	261,906	3,317,265
Itinerant Services	3,331,459	3,281,471	2,651,629	121	629,721
General Instruction	14,945,801	17,477,523	14,834,248	42,145	2,601,130
Instructional Support	34,528,278	39,465,520	35,546,989	625,403	3,293,128
Other Services and Internal Services	46,399,743	50,160,055	47,125,859	537,627	2,496,569
Total Expenditures	<u>\$ 174,380,363</u>	<u>\$ 184,137,796</u>	169,627,031	<u>\$ 1,504,489</u>	<u>\$ 13,006,276</u>
Other Financing Uses (Sources)					
Return of Surplus			13,854,038		
Total Expenditures and Other Financing Uses			<u>183,481,069</u>		
Net Change in Fund Balances			(1,527,893)		
Fund Balances - Beginning of Year			<u>11,347,688</u>		
Fund Balances - End of Year			<u>\$ 9,819,795</u>		

Notes to Required Supplementary Information:

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

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

ONONDAGA-CORTLAND-MADISON BOCES
SCHEDULES OF CHANGES IN THE BOCES' TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2025

Measurement Date	<u>07/01/2024</u>	<u>7/1/2023</u>	<u>7/1/2022</u>	<u>7/1/2021</u>	<u>7/1/2020</u>	<u>7/1/2019</u>	<u>7/1/2018</u>	<u>7/1/2017*</u>
Total OPEB Liability								
Service cost	\$ 9,126,012	\$ 9,998,925	\$ 11,606,077	\$ 12,016,468	\$ 8,175,306	\$ 8,894,182	\$ 11,150,990	\$ 15,006,090
Interest on Total OPEB Liability	8,386,315	7,855,115	5,489,150	5,345,171	7,127,409	7,585,018	8,624,734	7,405,423
Changes in benefit terms						(3,575,816)	(7,061,501)	
Changes in assumptions and other inputs	(21,047,903)	(3,133,513)	(25,561,909)	2,988,952	42,996,010	329,692	(7,665,548)	(34,179,264)
Differences between expected and actual experience in the measurement of the total OPEB liability	(8,525,654)		(18,921,554)		(18,852,398)		(41,596,751)	
Benefit payments	(6,188,308)	(5,774,529)	(5,447,644)	(5,153,987)	(4,975,542)	(4,762,909)	(4,788,659)	(4,492,447)
Net change in total OPEB Liability	<u>(18,249,538)</u>	<u>8,945,998</u>	<u>(32,835,880)</u>	<u>15,196,604</u>	<u>34,470,785</u>	<u>8,470,167</u>	<u>(41,336,735)</u>	<u>(16,260,198)</u>
Total OPEB Liability - Beginning	<u>223,730,222</u>	<u>214,784,224</u>	<u>247,620,104</u>	<u>232,423,500</u>	<u>197,952,715</u>	<u>189,482,548</u>	<u>230,819,283</u>	<u>247,079,481</u>
Total OPEB Liability - Ending	<u>\$ 205,480,684</u>	<u>\$ 223,730,222</u>	<u>\$ 214,784,224</u>	<u>\$ 247,620,104</u>	<u>\$ 232,423,500</u>	<u>\$ 197,952,715</u>	<u>\$ 189,482,548</u>	<u>\$ 230,819,283</u>
Covered payroll	\$ 54,289,520	\$ 51,678,009	\$ 51,296,542	\$ 51,296,542	\$ 51,791,816	\$ 51,012,568	\$ 50,626,550	\$ 51,541,915
Total OPEB Liability as a percentage of covered payroll	378%	433%	419%	483%	449%	388%	374%	448%

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

Notes to Required Supplementary Information:

The BOCES does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 5 to the financial statements.

Changes to Assumptions

The discount rate changed from 3.65% to 3.93%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

ONONDAGA-CORTLAND-MADISON BOCES
SCHEDULES OF BOCES PENSION CONTRIBUTIONS
For the Year Ended June 30, 2025

ERS Pension Plan
Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 2,786,064	\$ 2,330,127	\$ 2,097,135	\$ 2,980,703	\$ 2,652,322	\$ 2,632,349	\$ 2,713,740	\$ 3,024,195	\$ 3,031,898	\$ 3,044,945
Contributions in Relation to the Contractually Required Contribution	<u>2,786,064</u>	<u>2,330,127</u>	<u>2,097,135</u>	<u>2,980,703</u>	<u>2,652,322</u>	<u>2,632,349</u>	<u>2,713,740</u>	<u>3,024,195</u>	<u>3,031,898</u>	<u>3,044,945</u>
Contribution Deficiency (Excess)	<u>\$</u>									
BOCES' Covered-ERS Employee Payroll	\$ 19,621,569	\$ 18,659,569	\$ 18,176,887	\$ 18,491,345	\$ 19,314,176	\$ 18,903,185	\$ 18,682,624	\$ 21,031,828	\$ 21,031,828	\$ 20,776,607
Contributions as a Percentage of Covered-Employee Payroll	14.20%	12.49%	11.24%	16.40%	14.34%	13.63%	14.53%	14.38%	14.42%	14.66%

TRS Pension Plan
Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 3,954,282	\$ 3,690,620	\$ 3,758,314	\$ 3,382,296	\$ 3,163,226	\$ 3,636,598	\$ 3,689,406	\$ 3,334,156	\$ 3,869,215	\$ 4,195,047
Contributions in Relation to the Contractually Required Contribution	<u>3,954,282</u>	<u>3,690,620</u>	<u>3,758,314</u>	<u>3,382,296</u>	<u>3,163,226</u>	<u>3,636,598</u>	<u>3,689,406</u>	<u>3,334,156</u>	<u>3,869,215</u>	<u>4,195,047</u>
Contribution Deficiency (Excess)	<u>\$</u>									
BOCES' Covered-TRS Employee Payroll	\$ 39,112,581	\$ 37,813,729	\$ 36,523,224	\$ 34,513,224	\$ 33,192,298	\$ 41,045,124	\$ 34,740,169	\$ 34,022,000	\$ 33,013,780	\$ 31,636,855
Contributions as a Percentage of Covered-Employee Payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

See Independent Auditor's Report.

ONONDAGA-CORTLAND-MADISON BOCES
SCHEDULES OF THE BOCES' PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
For the Year Ended June 30, 2025

ERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
BOCES' proportion of the net pension (asset) liability	0.052149%	0.053962%	0.055439%	0.058957%	0.058078%	0.060567%	0.065302%	0.073845%	0.075599%	0.073222%
BOCES' proportionate share of the net pension (asset) liability	\$ 8,941,249	\$ 7,945,380	\$ 11,888,326	\$ (4,819,471)	\$ 57,831	\$ 16,038,578	\$ 4,626,856	\$ 2,383,302	\$ 7,103,476	\$ 11,752,316
BOCES' covered-employee payroll	\$ 19,621,569	\$ 18,659,569	\$ 18,176,887	\$ 18,491,345	\$ 19,314,176	\$ 18,903,185	\$ 18,682,624	\$ 21,031,828	\$ 21,031,828	\$ 20,776,607
BOCES' proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	45.57%	42.58%	65.40%	26.06%	0.30%	84.85%	24.77%	11.33%	33.77%	56.57%
Plan fiduciary net position as a percentage of total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.30%	98.20%	94.70%	90.70%

TRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BOCES' Proportion of the net pension (asset) liability	0.198009%	0.197778%	0.194801%	0.195557%	0.205245%	0.208129%	0.208866%	0.208329%	0.205021%	0.201773%
BOCES' proportionate share of the net pension (asset) liability	\$ (5,907,824)	\$ 2,261,756	\$ 3,738,028	\$ (33,888,161)	\$ 5,671,484	\$ (5,407,214)	\$ (3,776,856)	\$ (1,583,508)	\$ 2,195,864	\$ (20,957,790)
BOCES' covered-employee payroll	\$ 37,813,729	\$ 36,523,224	\$ 34,513,224	\$ 33,192,298	\$ 41,045,124	\$ 34,740,169	\$ 34,022,000	\$ 33,013,780	\$ 31,636,855	\$ 27,166,816
BOCES' proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	15.62%	6.19%	10.83%	102.10%	13.82%	15.56%	11.10%	4.80%	6.94%	77.14%
Plan fiduciary net position as a percentage of total pension (asset) liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

See Independent Auditor's Report.

ONONDAGA-CORTLAND-MADISON BOCES
SCHEDULES OF A431 SCHOOL DISTRICT ACCOUNT
For the Year Ended June 30, 2025

Balance, Beginning of Year	\$ <u>(691,390)</u>
Debits	
Billings to Components and Noncomponents	173,026,919
Refund Balances Due School Districts - June 30, 2024	14,762,233
Encumbrances - June 30, 2025	<u>1,504,489</u>
Total Debits	<u>189,293,641</u>
Subtotal	<u>188,602,251</u>
Credits	
Collections from Components and Noncomponents	177,821,228
Refund Balances Due School Districts - June 30, 2025	13,854,038
Encumbrances - June 30, 2024	<u>1,985,887</u>
Total Credits	<u>193,661,153</u>
Balance, End of Year	<u>\$ (5,058,902)</u>

Summary:

A431-00 Accounts Receivable Components	\$ 8,795,136
A431-80 School District Accounts	<u>(13,854,038)</u>
Balance, End of Year	<u>\$ (5,058,902)</u>

See Independent Auditor's Report.

ONONDAGA-CORTLAND-MADISON BOCES
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2025
			Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	Total	
Career Educational Instructional Equipment Reserve	\$ 426,578	\$ 431,140	\$ 253,098	\$	\$ 253,098	\$ 178,042	\$	\$ 1,812,559	\$ 1,812,559	\$ 1,559,461
McEvoy Education Center - 2023 Windows	700,000	700,000	593,877	91,925	685,802	14,198		686,036	686,036	234
McEvoy Education Center - PA System	750,000	678,410		678,880	678,880	(470)		678,644	678,644	(236)
Henry PA System	298,000	298,000	285,410		285,410	12,590		285,410	285,410	
Energy Performance Contract	2,500,000	2,492,454	2,492,454		2,492,454		2,492,454		2,492,454	
Welding Classroom - Thompson Road	800,000	932,341		312,993	312,993			932,108	932,108	619,115
Installment Purchase - 2024	9,753,820	9,753,820	7,931,087	1,822,733	9,753,820		9,753,820		9,753,820	
Installment Purchase - 2025	<u>6,788,091</u>	<u>6,788,091</u>		<u>6,623,461</u>	<u>6,623,461</u>	<u>164,630</u>	<u>6,788,091</u>		<u>6,788,091</u>	<u>164,630</u>
Totals	<u>\$ 22,016,489</u>	<u>\$ 22,074,256</u>	<u>\$ 11,555,926</u>	<u>\$ 9,529,992</u>	<u>\$ 21,085,918</u>	<u>\$ 368,990</u>	<u>\$ 19,034,365</u>	<u>\$ 4,394,757</u>	<u>\$ 23,429,122</u>	<u>\$ 2,343,204</u>

See Independent Auditor's Report.

ONONDAGA-CORTLAND-MADISON BOCES
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2025

Capital Assets, Net	\$ 74,491,403
Intangible Right-to-use Lease Assets, Net	8,275,386
Add:	
Capital Fund Balance	2,343,204
Deduct:	
Premium on Bond	(1,285,704)
Installment Purchase Obligations and Bonds Payable	(28,137,900)
Energy Performance Contract Payable	(2,060,685)
Lease Liability	<u>(8,475,542)</u>
Net Investment in Capital Assets	<u>\$ 45,150,162</u>

See Independent Auditor's Report.

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

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

Board of Education
Onondaga – Cortland – Madison BOCES

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Onondaga – Cortland – Madison BOCES, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Onondaga – Cortland – Madison BOCES basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Onondaga – Cortland – Madison BOCES' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Onondaga – Cortland – Madison BOCES' internal control. Accordingly, we do not express an opinion on the effectiveness of Onondaga – Cortland – Madison 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 BOCES' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 15, 2025

Rome, New York