

BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT  
COUNTIES OF MONROE AND ORLEANS

There will be an Audit Committee Meeting at 5:30 p.m. on Wednesday, October 21, 2020 at the Richard E. Ten Haken Educational Services Center, 3599 Big Ridge Road, Spencerport, New York 14559, Professional Development Center.

Following there will be a Regular Meeting of the Board of Cooperative Educational Services at 6:30 p.m., same location.

Anticipated Executive Session immediately following the regular board meeting to discuss the employment history of a particular person(s).

BOARD MEMBERS

Dennis Laba, President

R. Charles Phillips, Vice President

John Abbott

Kathleen Dillon

John Heise

Gerald Maar

Michael May

Constance Rockow

Elizabeth VenVertloh

AGENDA

1. Call the Meeting to Order
2. Pledge of Allegiance
3. Agenda Item(s) Modifications
4. Approval of Minutes: September 16, 2020 Regular Meeting Minutes and October 8, 2020 Special Meeting Minutes
5. Public Interaction
6. Financial Reports (Mary Beth Luther, Treasurer)
  1. Resolution to Accept Treasurer's Report
  2. Resolution to Accept WinCap Report
  3. Internal Claims Exception Log
  4. Quarterly Contractor Report
  5. Quarterly Extra Class Report
7. Old Business
  1. Capital Project Update and Cost Report(Campus Construction)
8. Board Presentation: 2019-20 Audit (Ray Wager, CPA)
  1. Resolution to Accept the Audit Reports entitled Basic Financial Statement and Management Letter for the year ended June 30, 2020, as recommended by Jo Anne Antonacci, District Superintendent
  2. Resolution to Accept Corrective Action Plan for the Year Ended June 30, 2020
9. Recognition of School Board Members
10. New Business
  1. Regional Summer School Update (Tim Dobbertin)
  2. Resolution to Approve 2020 Regional Summer School Leases for Greece CDS and Brockport CSD
  3. Review of NYSSBA Convention Proposed Resolutions
  4. Resolution to Approve Donation of \$250.00 from Finger Lakes Dental Care

5. Resolution to Approve Donation of Photovoltaic solar panel modules
6. Resolution to Approve Donation of \$7,500 from the Gene Haas Foundation
7. Records retention update (Local Government Schedule LGS-1 to replace ED-1)

11. Personnel and Staffing

1. Resolution to Approve Personnel and Staffing Agenda

12. Bids/Lease Purchases

1. Resolution to Accept Cooperative Fine Paper Bid Award
2. Resolution to Accept Print Shop Supplies Bid Award
3. Resolution to Accept Wheatland-Chili lease purchase of Toshiba copier equipment
4. Resolution to Accept Monroe 2-Orleans BOCES participation in Cooperative bid with Capital Regional BOCES For DATABASES, RESEARCH TOOL, E-BOOKS, AUTOMATION AND MEDIA FOR USE IN SCHOOL LIBRARY SYSTEMS "DREAM CONSORTIUM"

13. Executive Officer's Reports

1. Albany D.S. Report
2. Local Update- Service Awards Event; Foundation Celebration

14. Committee Reports

- Labor Relations Committee (J. Abbott/J. Heise)
- Legislation Committee (K. Dillon/D. Laba)
- Information Exchange Committee (R. Charles Phillips/L. VenVertloh)

15. Upcoming Meetings/Calendar Events

- October 20-22 AND October 27-29 NYSSBA Annual Convention (Virtual)
- October 21 5:30pm Audit Committee / 6:30pm Board Meeting (ESC, PDC)
- October 21 Noon MCSBA Labor Relations Committee (Double Tree)
- October 28 Noon MCSBA Steering Committee (Double Tree)
- November 4 Noon MCSBA Legislative Committee (Double Tree)
- November 4 5:45pm MCSBA Board Presidents Meeting (Double Tree)
- November 11 BOCES 2 closed
- November 12 Noon Board Officer Agenda Review
- November 14 6pm Monroe 2-Orleans Educational Foundation Celebration (virtual)
- November 18 Noon MCSBA Labor Relations Committee (Double Tree)
- November 18 4pm MCSBA Information Exchange Committee (Double Tree)
- November 18 6:30pm Board Meeting (ESC, PDC)
- Nov. 25-27 BOCES 2 closed

16. Other Items

17. Anticipated Executive Session to discuss the employment history of a particular person(s).

18. Adjournment

1. Call the Meeting to Order

## 2. Pledge of Allegiance

### 3. Agenda Item(s) Modifications

4. Approval of Minutes: September 16, 2020 Regular Meeting Minutes and October 8, 2020 Special Meeting Minutes

BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT  
COUNTIES OF MONROE AND ORLEANS

Minutes of the Regular Meeting of the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties, held on September 16, 2020 at 6:30 p.m. at the Richard E. Ten Haken Educational Services Center, Spencerport, New York 14559.

Members Present:

Dennis Laba, President	Gerald Maar
R. Charles Phillips, Vice President	Michael May
John Abbott	Constance Rockow
Kathleen Dillon	Elizabeth VenVertloh
John Heise	

Staff Present:

Jo Anne Antonacci	Kelly Mutschler
Karen Brown, Esq.	Dr. Marijo Pearson
Virginia Critchley	Steve Roland
Steve Dawe	Dr. Michelle Ryan
Tim Dobbertin	Lynda VanCoske, Esq.
Ian Hildreth	

Guests:

Joseph Pallatto (Campus Construction)

1. Call the Meeting to Order

The meeting was called to order by President Laba at 6:30 p.m.

2. Pledge of Allegiance

3. Agenda/Items(s) Modifications

Item 9.9 New Business Donation of PPE supplies was added as a walk in.

4. Approval of Minutes

Resolved: To approve the August 19, 2020 Regular Meeting Minutes as presented.

Motion by J. Heise, seconded by G. Maar; passed unanimously.

5. Public Interaction

There was no public interaction.

6. Financial Reports

S. Roland reported on the Treasurer's Report, WINCAP Report, and Internal Claims Exception Log.

Resolved: To approve the Treasurer's and WINCAP Reports as presented.

M. May, seconded by J. Heise; passed unanimously.

7. Old Business

1. Joseph Pallatto from Campus Construction gave a capital project update.

A decision to hold a special meeting of the Board to approve bids for Phase II of the 2019 Capital Project on Thursday, October 8 at 8:30 a.m. was made. Mr. Pallatto left the meeting at 6:43 p.m.

8. Presentation: Human Resources Report

Director of Human Resources Karen Brown gave a Human Resources report. The board asked questions and thanked Karen for her presentation.

9. New Business

1. First Reading of Policy Series 5000

Resolved: To waive Second Reading and Approve Policy Series 5000 as presented.

Motion by K. Dillon, seconded by M. May; passed unanimously.

2. First Reading of Policy #6110 – Comprehensive Student Attendance Policy

Resolved: To waive Second Reading and Approve Policy #6110 – Comprehensive Student Attendance Policy as presented.

Motion by M. May, seconded by J. Abbott; passed unanimously.

L. VanCoske left the meeting at 7:10 p.m.

3. Tim Dobbertin gave an annual update on School Safety and the Educational Climate (SSEC).

4. Resolved: To declare funds in the amount of \$390,404 from the 2016 Capital Project as excess funds to be used towards the 2019 Capital Project as presented.

Motion by M. May, seconded by C. Rockow; passed unanimously.

5. The Monroe County School Boards Association's (MCSBA) Information Exchange and Labor Relations 2020-21 suggested topics were discussed. K. Mutschler will submit feedback to MCSBA.

6. Resolved: To approve the appointment of Lorraine Bennett as Registrar of Attendance at Westside Academy for the 2020-2021 school year as presented.

Motion by K. Dillon, seconded by G. Maar; passed unanimously.

7. There was a discussion regarding 3585 Big Ridge Road Property. Board gave permission to move forward with negotiations with property owner.

8. Resolved: To approve transfer of ownership of desks from Monroe Community College as presented.

Motion by J. Abbott, seconded by J Heise; passed unanimously.



9. Resolved: To approve donation of PPE supplies as presented.

Motion by G. Maar, seconded by K. Dillon; passed unanimously.

10. Personnel and Staffing

1. Resolved: To approve the Personnel and Staffing Agenda as presented.

Motion by K. Dillon, seconded by C. Rockow; passed unanimously.

11. Bids/Lease Purchases

Resolved: To accept the bid recommendations and awarding of the following bids and lease purchases as presented:

1. Resolved to accept Disposal Service Bid Award
- |                   |             |
|-------------------|-------------|
| Suburban Disposal | \$51,840.00 |
|-------------------|-------------|
2. Resolved to accept Cooperative Audio-Visual Equipment Installation Service Bid
- |  |                         |
|--|-------------------------|
| Park Place Installations, Inc.<br>(Primary Vendor) | \$104,499.00            |
| The Smart Guys<br>(Secondary Vendor)               | Backup vendor as needed |
3. Resolved to Accept Cooperative COVID-19 Pandemic Supplies Bid Award
- |                             |             |
|-----------------------------|-------------|
| Maybe Mars, LLC             | \$38,000.00 |
| Hill & Marks, Inc.          | \$8,565.00  |
| Q1 LLC                      | \$7,788.00  |
| QYK Brands, LLC             | \$4,492.50  |
| FB Displays & Designs, Inc. | \$2,368.80  |
| AA Medical Supplies         | \$1,490.00  |
| Regional Distributors       | \$620.00    |
| Global PPE, Inc.            | \$158.00    |
| Concept Print               | \$14.59     |

Motion by K. Dillon, seconded by M. May; passed unanimously.

12. Executive Officer's Report

- The October District Superintendents' meeting will be a 2-day remote meeting with half a day dedicated to equity and diversity.
- New York State Department of Health is working on a reporting dashboard for public consumption. There are questions remaining on how a BOCES will report.
- Component Superintendents continue to meet once a week.
- District Superintendent Antonacci continues to serve on the Finger Lakes Health and Medical Sub-Committee for the Finger Lakes Reopening. Monroe County is fortunate to have the partnerships we do as we navigate through the pandemic.
- District Superintendent Antonacci talked about the spirit-lifting Center for Workforce Development graduation event. Families of 52 graduates were present in the Professional Development Center for a socially distant, yet very moving, event for the graduates.

13. Committee Reports

Labor Relations Committee (J. Abbott/J. Heise) – There were no updates.

Legislation Committee (K. Dillon/D. Laba) – There will be no Albany trip, only local advocacy. There will be new legislators to work with.

Information Exchange Committee (R. Charles Phillips/L. VenVertloh) – There were no updates.

14. Upcoming Meetings/Events

The various meetings for the upcoming month were listed on the agenda.

15. Other Items

There were no other items.

16. At 7:45 p.m., a motion was made by M. May, seconded by J. Abbott, passed unanimously to enter into Executive Session after a brief break to discuss the employment history of a particular person(s).

Respectfully submitted,

Virginia M. Critchley  
Clerk of the Board

Members Present:

John Abbott  
Kathleen Dillon  
John Heise  
Dennis Laba  
Gerald Maar

Michael May  
R. Charles Phillips  
Constance Rockow  
Elizabeth VenVertloh

Staff Present:

Jo Anne Antonacci  
Karen Brown, Esq. (left at 8:10 p.m.)  
Tim Dobbertin (left at 8:10 p.m.)

Marijo Pearson (left at 8:10 p.m.)  
Steve Roland (left at 8:10 p.m.)  
Michelle Ryan (left at 8:10 p.m.)

At 8:30 p.m. a motion was made by M. May, seconded by C. Rockow to come out of executive session; passed unanimously.

17. Adjournment

At 8:30 p.m., a motion was made by M. May to adjourn the meeting, seconded by K. Dillon; passed unanimously.

Respectfully submitted,

Jo Anne L. Antonacci  
Clerk Pro-Tem

BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT  
COUNTIES OF MONROE AND ORLEANS

DUE TO COVID-19, VIDEO CONFERENCING WAS UTILIZED (accord Executive Order 202.1). BOARD MEMBERS AND STAFF JOINED VIA ZOOM. THE PUBLIC WAS INVITED TO LISTEN BY DIALING 1-415-655-0001 (ACCESS CODE: 227 747 449).

Minutes of the Regular Meeting of the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties, held on October 8, 2020 at 8:30 a.m. via ZOOM Video Conferencing.

Members Present Remotely:

Dennis Laba, President	Kathleen Dillon
R. Charles Phillips, Vice President	John Heise
John Abbott	Michael May

Staff Present:

Jo Anne Antonacci	Steve Roland
Kelly Mutschler	Ian Hildreth

1. Call the Meeting to Order  
The meeting was called to order by President Laba at 8:37 a.m.
2. Resolution to Approve Bids for Phase II of the 2019 Capital Project  
Resolved: To accept the bid recommendations and awarding of the following bids and lease purchases as presented:
  1. Contract No. 201      Site Work:      American Paving & Excavating  
Public Base Bid      \$168,000  
Alt. #4 – East Parking Lot Fencing      \$ 21,000  
Alt. Site #1 – Additional Catch Basin      \$ 10,200  
**Total for Award**      **\$199,200**

Motion to Approve 2.1 by J. Heise, seconded by M. May; passed unanimously.

At 8:42a.m. a motion was made by J. Heise seconded by K. Dillon, passed unanimously to adjourn the meeting

Respectfully submitted,

Kelly Mutschler  
Clerk of the Board

## 5. Public Interaction

6. Financial Reports (Mary Beth Luther, Treasurer)
  1. Resolution to Accept Treasurer's Report
  2. Resolution to Accept WinCap Report
  3. Internal Claims Exception Log
  4. Quarterly Contractor Report
  5. Quarterly Extra Class Report

**Monroe #2-Orleans BOCES**

**Treasurer's Report**

Period Ending August 31, 2020

<u>GENERAL FUND</u>		<u>MONTHLY</u>	
<b>CASH</b>	<b>BEGINNING BALANCE:</b>	10,180,409.06	<u><b>10,180,409.06</b></u>
<b>RECEIPTS:</b>	CHARGES FOR SERVICES	607,044.59	
	NON-CONTRACT CHARGES	21,138.38	
	INTEREST EARNED	234.55	
	TRANSFERS FROM SPECIAL AID	0.00	
	TRANSFERS FROM TRUST AND AGENCY	0.00	
	TRANSFERS FROM UNEMPLOYMENT	0.00	
	STATE AID DUE DISTRICTS	0.00	
	MISCELLANEOUS RECEIPTS	285,819.42	
	<b>TOTAL RECEIPTS:</b>	<b>914,236.94</b>	<u><b>914,236.94</b></u>
<b>DISBURSEMENTS:</b>	PAYROLL	2,236,338.03	
	WARRANTS	2,056,769.43	
	TRANSFERS TO:		
	- Special Aid	0.00	
	- Trust & Agency	0.00	
	- Unemployment Reserve	0.00	
	- Capital	0.00	
	RAN PAYMENT	0.00	
	MISCELLANEOUS DISBURSEMENTS	0.00	
	<b>TOTAL DISBURSEMENT:</b>	<b>4,293,107.46</b>	<u><b>(4,293,107.46)</b></u>
	GENERAL FUND CHECKING	6,566,175.97	
	GENERAL FUND SAVINGS	235,362.57	
<b>CASH</b>	<b>ENDING BALANCE:</b>	<b>6,801,538.54</b>	<u><b>6,801,538.54</b></u>

**Monroe #2-Orleans BOCES**

**Treasurer's Report**

Period Ending August 31, 2020

<b><u>SPECIAL AID FUND</u></b>		<b><u>MONTHLY</u></b>	
<b>CASH</b>	<b>BEGINNING BALANCE:</b>	1,659,725.28	<b><u>1,659,725.28</u></b>
<b>RECEIPTS:</b>	INTEREST EARNED	17.51	
	TRANSFER FROM GENERAL	0.00	
	TRANSFER FROM TRUST AND AGENCY	0.00	
	STATE, FEDERAL & LOCAL SOURCES	0.00	
	MISCELLANEOUS RECEIPTS	578,672.24	
	<b>TOTAL RECEIPTS:</b>	578,689.75	<b><u>578,689.75</u></b>
<b>DISBURSEMENTS:</b>	WARRANTS	16,757.12	
	TRANSFER TO TRUST & AGENCY	0.00	
	TRANSFER TO GENERAL	0.00	
	MISCELLANEOUS DISBURSEMENTS	217.26	
	<b>TOTAL DISBURSEMENTS:</b>	16,974.38	<b><u>(16,974.38)</u></b>
<b>CASH</b>	<b>ENDING BALANCE:</b>	2,221,440.65	<b><u>2,221,440.65</u></b>

<b><u>RISK RETENTION FUND</u></b>		<b><u>MONTHLY</u></b>	
<b>CASH</b>	<b>BEGINNING BALANCE:</b>	1,583,659.48	<b><u>1,583,659.48</u></b>
<b>RECEIPTS:</b>	INTEREST EARNED	134.42	
	TRANSFER FROM GENERAL	0.00	
	MISCELLANEOUS RECEIPTS	0.00	
	<b>TOTAL RECEIPTS:</b>	134.42	<b><u>134.42</u></b>
<b>DISBURSEMENTS:</b>	WARRANTS	0.00	
	CD-INVESTMENTS	0.00	
	TRANSFER TO GENERAL	0.00	
	TRANSFER TO TRUST & AGENCY	0.00	
	<b>TOTAL DISBURSEMENTS:</b>	0.00	<b><u>0.00</u></b>
	CASH- LIABILITY RESERVE	19,335.76	
	CASH- UNEMPLOYMENT RESERVE	278,491.12	
	CD-LIABILITY RESERVE	1,159,397.84	
	CD-UNEMPLOYMENT RESERVE	126,569.18	
<b>CASH</b>	<b>ENDING BALANCE:</b>	1,583,793.90	<b><u>1,583,793.90</u></b>

# Monroe #2-Orleans BOCES

## Treasurer's Report

Period Ending August 31, 2020

<u>TRUST AND AGENCY FUND</u>		<u>MONTHLY</u>	
<b>CASH</b>	<b>BEGINNING BALANCE:</b>	163,884,448.62	<u>163,884,448.62</u>
<b>RECEIPTS:</b>	INTEREST EARNED	246.09	
	PAYROLL	1,510,698.67	
	TRANSFER FROM GENERAL	0.00	
	TRANSFER FROM SPECIAL AID	0.00	
	RASHP I	2,135,228.22	
	RASHP II	17,240,019.01	
	MISCELLANEOUS RECEIPTS	3,525,351.26	
	<b>TOTAL RECEIPTS:</b>	<b>24,411,543.25</b>	<u><b>24,411,543.25</b></u>
<b>DISBURSEMENTS:</b>	WARRANTS	905,567.22	
	PAYROLL	1,510,198.67	
	RASHP I	1,603,479.27	
	RASHP II	25,116,425.69	
	TRANSFER TO GENERAL FUND	0.00	
	TRANSFER TO SPECIAL AID	0.00	
	MISCELLANEOUS DISBURSEMENTS	598,841.22	
	<b>TOTAL DISBURSEMENTS:</b>	<b>29,734,512.07</b>	<u><b>(29,734,512.07)</b></u>
	CASH-CHECKING	780,913.41	
	CASH-PAYROLL	12,769.24	
	CASH-RASWC	4,694,069.62	
	CASH-WC WFL	289,739.24	
	CASH-FSA	32,314.58	
	CASH-RASHP I	5,689,742.07	
	CASH-RASHP II	72,925,707.84	
	CASH-SELF FUNDED DENTAL	397,313.88	
	CASH-STUDENT ACCIDENT	3,889.76	
	CASH-GIFT FUNDS	92,924.86	
	CASH-EDUCATIONAL TRUST FUND	0.00	
	CASH-JOHN T. KLOCK SCHOLARSHIP	2,834.46	
	MONEY MARKET / INVESTMENTS - RASHP II	38,541,435.11	
	MONEY MARKET - RASHP II - M&T	460,968.98	
	CERTIFICATE OF DEPOSIT-RASWC	21,957,837.99	
	CERTIFICATE OF DEPOSIT/SAVINGS - RASHP	12,679,018.76	
	CERTIFICATE OF DEPOSIT - RASHP II	0.00	
<b>CASH</b>	<b>ENDING BALANCE:</b>	<b>158,561,479.80</b>	<u><b>158,561,479.80</b></u>



**Monroe #2-Orleans BOCES**

**Treasurer's Report**

**Period Ending August 31, 2020**

<u>CAPITAL FUND</u>		<u>MONTHLY</u>	
<b>CASH</b>	<b>BEGINNING BALANCE</b>	3,702,401.18	<b><u>3,702,401.18</u></b>
<b>RECEIPTS:</b>	INTEREST EARNED	155.54	
	TRANSFER FROM GENERAL	0.00	
	COMPONENT REVENUE	0.00	
	MISCELLANEOUS REVENUE	0.00	
	<b>TOTAL RECEIPTS</b>	155.54	<b><u>155.54</u></b>
<b>DISBURSEMENTS:</b>	WARRANTS	623,617.77	
	MISCELLANEOUS DISBURSEMENTS	0.00	
	TRANSFER TO:		
	- General Fund	0.00	
	- Equipment Reserve	0.00	
	<b>TOTAL DISBURSEMENTS</b>	623,617.77	<b><u>(623,617.77)</u></b>
	CAPITAL FUND CHECKING	2,176,998.23	
	CAPITAL FUND SAVINGS	109,155.31	
	CAPITAL FUND CTE EQUIPMENT RESERVE	792,785.41	
<b>CASH</b>	<b>ENDING BALANCE:</b>	3,078,938.95	<b><u>3,078,938.95</u></b>

# MONROE 2 - ORLEANS BOCES

Budget Status Report As Of: 09/30/2020

Fiscal Year: 2021

Fund: A GENERAL FUND

Budget Account	Description	Initial Appropriation	Adjustments	Current Appropriation	Year-to-Date Expenditures	Encumbrance Outstanding	Unencumbered Balance
<b>0 Administration</b>							
100 SALARIES		1,146,030.00	0.00	1,146,030.00	269,694.32	842,206.84	34,128.84
200 EQUIPMENT		15,650.00	0.00	15,650.00	598.05	714.29	14,337.66
300 SUPPLIES		19,550.00	0.00	19,550.00	2,766.42	9,641.48	7,142.10
400 CONTRACTUAL		2,618,415.00	5,000.00	2,623,415.00	614,771.40	1,234,292.00	774,351.60
700 INTEREST ON REVENUE NOTES		15,000.00	-445.80	14,554.20	0.00	0.00	14,554.20
800 EMPLOYEE BENEFITS		579,927.00	-4,554.20	575,372.80	95,194.47	330,132.36	150,045.97
899 Oth Post Retirement Benft		5,652,488.00	0.00	5,652,488.00	690,518.20	0.00	4,961,969.80
910 TRANSFER TO CAPITAL FUND		500,000.00	0.00	500,000.00	0.00	0.00	500,000.00
950 TRANSFER FROM O & M		66,746.00	0.00	66,746.00	0.00	0.00	66,746.00
960 TRANSFER CHARGE		257,217.00	0.00	257,217.00	0.00	0.00	257,217.00
<b>Subtotal of 0 Administration</b>		<b>10,871,023.00</b>	<b>0.00</b>	<b>10,871,023.00</b>	<b>1,673,542.86</b>	<b>2,416,986.97</b>	<b>6,780,493.17</b>
<b>1 Career Education</b>							
100 SALARIES		3,861,872.00	0.00	3,861,872.00	329,787.15	3,482,472.81	49,612.04
200 EQUIPMENT		35,000.00	309,063.83	344,063.83	305,799.61	38,321.21	-56.99
300 SUPPLIES		354,750.00	13,734.48	368,484.48	100,459.37	117,279.18	150,745.93
400 CONTRACTUAL		291,250.00	1,292.96	292,542.96	96,890.30	90,792.11	104,860.55
490 SCH DIST AND OTHER BOCES		18,120.00	-18,120.00	0.00	0.00	0.00	0.00
800 EMPLOYEE BENEFITS		1,809,119.00	0.00	1,809,119.00	200,378.61	1,325,734.07	283,006.32
950 TRANSFER FROM O & M		1,294,189.00	0.00	1,294,189.00	0.00	0.00	1,294,189.00
960 TRANSFER CHARGE		553,852.00	0.00	553,852.00	0.00	0.00	553,852.00
990 TRANS CREDTS FR OTHER FUND		-6,000.00	0.00	-6,000.00	0.00	0.00	-6,000.00
<b>Subtotal of 1 Career Education</b>		<b>8,212,152.00</b>	<b>305,971.27</b>	<b>8,518,123.27</b>	<b>1,033,315.04</b>	<b>5,054,599.38</b>	<b>2,430,208.85</b>
<b>2 Special Education</b>							
100 SALARIES		6,859,672.00	0.00	6,859,672.00	403,350.10	6,152,594.14	303,727.76
200 EQUIPMENT		78,014.00	95,795.14	173,809.14	118,539.14	3,699.30	51,570.70
300 SUPPLIES		141,931.00	-16,603.00	125,328.00	35,523.60	13,280.43	76,523.97
400 CONTRACTUAL		1,472,937.00	44,391.44	1,517,328.44	139,158.00	122,401.34	1,255,769.10
490 SCH DIST AND OTHER BOCES		5,920,930.00	552,981.04	6,473,911.04	647,191.16	0.00	5,826,719.88
800 EMPLOYEE BENEFITS		3,563,530.00	-60,716.00	3,502,814.00	481,717.12	2,970,704.87	50,392.01
950 TRANSFER FROM O & M		335,806.00	0.00	335,806.00	0.00	0.00	335,806.00
960 TRANSFER CHARGE		16,023,321.00	0.00	16,023,321.00	0.00	0.00	16,023,321.00
<b>Subtotal of 2 Special Education</b>		<b>34,396,141.00</b>	<b>615,848.62</b>	<b>35,011,989.62</b>	<b>1,825,479.12</b>	<b>9,262,680.08</b>	<b>23,923,830.42</b>
<b>3 Itinerent Services</b>							
100 SALARIES		12,240,392.00	0.00	12,240,392.00	635,139.45	10,500,233.28	1,105,019.27
200 EQUIPMENT		206,415.00	15,640.86	222,055.86	9,525.86	10,018.25	202,511.75
300 SUPPLIES		43,601.00	-1,000.00	42,601.00	7,528.18	3,003.60	32,069.22
400 CONTRACTUAL		802,831.00	-11,189.86	791,641.14	8,616.61	109,600.95	673,423.58
490 SCH DIST AND OTHER BOCES		50,903.00	-28,124.14	22,778.86	2,277.89	0.00	20,500.97
800 EMPLOYEE BENEFITS		6,176,059.00	0.00	6,176,059.00	633,008.72	4,257,903.24	1,285,147.04

# MONROE 2 - ORLEANS BOCES

Budget Status Report As Of: 09/30/2020

Fiscal Year: 2021

## Fund: A GENERAL FUND

Budget Account	Description	Initial Appropriation	Adjustments	Current Appropriation	Year-to-Date Expenditures	Encumbrance Outstanding	Unencumbered Balance
950	TRANSFER FROM O & M	7,938.00	0.00	7,938.00	0.00	0.00	7,938.00
960	TRANSFER CHARGE	1,209,309.00	0.00	1,209,309.00	0.00	0.00	1,209,309.00
970	TR CREDTS FR SERVICE PROGR	-11,766,756.00	0.00	-11,766,756.00	0.00	0.00	-11,766,756.00
<b>Subtotal of 3 Itinerent Services</b>		<b>8,970,692.00</b>	<b>-24,673.14</b>	<b>8,946,018.86</b>	<b>1,296,096.71</b>	<b>14,880,759.32</b>	<b>-7,230,837.17</b>
<b>4 General Instruction</b>							
100	SALARIES	1,868,356.00	434,103.00	2,302,459.00	478,956.40	914,584.71	908,917.89
200	EQUIPMENT	5,600.00	2,818.50	8,418.50	0.00	1,618.50	6,800.00
300	SUPPLIES	11,375.00	5,721.00	17,096.00	855.62	2,398.05	13,842.33
400	CONTRACTUAL	684,335.00	142,128.41	826,463.41	135,359.01	220,177.84	470,926.56
490	SCH DIST AND OTHER BOCES	69,747.00	-23,413.23	46,333.77	8,165.43	0.00	38,168.34
800	EMPLOYEE BENEFITS	722,170.00	107,721.00	829,891.00	121,762.20	361,321.47	346,807.33
950	TRANSFER FROM O & M	127,696.00	0.00	127,696.00	0.00	0.00	127,696.00
960	TRANSFER CHARGE	178,964.00	0.00	178,964.00	0.00	0.00	178,964.00
970	TR CREDTS FR SERVICE PROGR	-16,290.00	0.00	-16,290.00	0.00	0.00	-16,290.00
990	TRANS CREDTS FR OTHER FUND	-2,025.00	0.00	-2,025.00	0.00	0.00	-2,025.00
<b>Subtotal of 4 General Instruction</b>		<b>3,649,928.00</b>	<b>669,078.68</b>	<b>4,319,006.68</b>	<b>745,098.66</b>	<b>1,500,100.57</b>	<b>2,073,807.45</b>
<b>5 Instruction Support</b>							
100	SALARIES	6,032,367.00	-4,258.83	6,028,108.17	949,929.29	4,583,328.44	494,850.44
200	EQUIPMENT	3,116,595.00	3,182,982.79	6,299,577.79	1,861,688.51	1,735,604.51	2,702,284.77
300	SUPPLIES	737,361.00	81,044.62	818,405.62	213,184.96	72,552.72	532,667.94
400	CONTRACTUAL	4,673,400.00	681,555.77	5,354,955.77	2,445,854.39	787,828.84	2,121,272.54
490	SCH DIST AND OTHER BOCES	358,709.00	-15,250.12	343,458.88	54,451.22	0.00	289,007.66
800	EMPLOYEE BENEFITS	2,819,990.00	-14,189.80	2,805,800.20	399,356.13	1,946,044.07	460,400.00
950	TRANSFER FROM O & M	647,258.00	0.00	647,258.00	0.00	0.00	647,258.00
960	TRANSFER CHARGE	1,045,444.00	0.00	1,045,444.00	0.00	0.00	1,045,444.00
970	TR CREDTS FR SERVICE PROGR	-2,695,110.00	0.00	-2,695,110.00	0.00	0.00	-2,695,110.00
990	TRANS CREDTS FR OTHER FUND	-80,302.00	0.00	-80,302.00	0.00	0.00	-80,302.00
<b>Subtotal of 5 Instruction Support</b>		<b>16,655,712.00</b>	<b>3,911,884.43</b>	<b>20,567,596.43</b>	<b>5,924,464.50</b>	<b>9,125,358.58</b>	<b>5,517,773.35</b>
<b>6 Other Services</b>							
100	SALARIES	2,321,226.00	0.00	2,321,226.00	495,564.00	1,690,882.51	134,779.49
200	EQUIPMENT	435,385.00	71,261.59	506,646.59	80,617.93	64,457.58	361,571.08
300	SUPPLIES	39,875.00	6,156.18	46,031.18	4,746.94	7,637.90	33,646.34
400	CONTRACTUAL	3,471,936.00	225,958.75	3,697,894.75	568,036.78	2,169,489.95	960,368.02
490	SCH DIST AND OTHER BOCES	6,106,003.00	-130,679.26	5,975,323.74	568,729.25	0.00	5,406,594.49
800	EMPLOYEE BENEFITS	1,084,227.00	-4,000.00	1,080,227.00	159,504.06	672,397.82	248,325.12
950	TRANSFER FROM O & M	117,445.00	0.00	117,445.00	0.00	0.00	117,445.00
960	TRANSFER CHARGE	98,636.00	0.00	98,636.00	0.00	0.00	98,636.00
970	TR CREDTS FR SERVICE PROGR	-1,699,387.00	0.00	-1,699,387.00	0.00	0.00	-1,699,387.00
990	TRANS CREDTS FR OTHER FUND	-105,190.00	0.00	-105,190.00	0.00	0.00	-105,190.00
<b>Subtotal of 6 Other Services</b>		<b>11,870,156.00</b>	<b>168,697.26</b>	<b>12,038,853.26</b>	<b>1,877,198.96</b>	<b>4,604,865.76</b>	<b>5,556,788.54</b>

# MONROE 2 - ORLEANS BOCES

Budget Status Report As Of: 09/30/2020

Fiscal Year: 2021

Fund: A GENERAL FUND

Budget Account	Description	Initial Appropriation	Adjustments	Current Appropriation	Year-to-Date Expenditures	Encumbrance Outstanding	Unencumbered Balance
<b>7 Undefined</b>							
100 SALARIES		3,076,171.00	0.00	3,076,171.00	627,641.28	2,044,466.87	404,062.85
200 EQUIPMENT		58,500.00	70,965.62	129,465.62	46,769.02	15,820.06	66,876.54
300 SUPPLIES		223,280.00	83,197.68	306,477.68	143,186.28	135,134.89	28,156.51
400 CONTRACTUAL		1,920,437.00	-89,473.56	1,830,963.44	788,803.67	671,483.37	370,676.40
800 EMPLOYEE BENEFITS		1,457,658.00	-6,800.00	1,450,858.00	209,211.03	848,363.04	393,283.93
950 TRANSFER FROM O & M		566,322.00	0.00	566,322.00	0.00	0.00	566,322.00
960 TRANSFER CHARGE		1,363,283.00	0.00	1,363,283.00	0.00	0.00	1,363,283.00
970 TR CREDTS FR SERVICE PROGR		-7,715,883.00	0.00	-7,715,883.00	0.00	0.00	-7,715,883.00
990 TRANS CREDTS FR OTHER FUND		-949,768.00	0.00	-949,768.00	0.00	0.00	-949,768.00
<b>Subtotal of 7 Undefined</b>		<b>0.00</b>	<b>57,889.74</b>	<b>57,889.74</b>	<b>1,815,611.28</b>	<b>3,715,268.23</b>	<b>-5,472,989.77</b>
<b>Total GENERAL FUND</b>		<b>94,625,804.00</b>	<b>5,704,696.86</b>	<b>100,330,500.86</b>	<b>16,190,807.13</b>	<b>50,560,618.89</b>	<b>33,579,074.84</b>

<b>Internal Claims Exception Log</b>								<b>September</b>
<b>2020/21 School Year</b>								
<b>Date</b>	<b>A/P</b>	<b>Fund</b>	<b>Warrant</b>	<b>Ck Amount</b>	<b>Description</b>	<b>Vendor</b>	<b>Dept</b>	<b>Resolution</b>
9/9/20								
#38	LMZ	A	280769-280811	\$2,632.50	Sales Tax included (\$195.00)	The Tint Shop Emporium	O&M	Check voided and reissued
9/15/20								
#41	LMZ	A	280853-280897	\$910.00	Two different amounts on check request (\$260.00)	NYSSBA	Admin	Confirmed amount w/ Dept; check mailed
9/29/20								
#47	LAZ	A	280996-281035	\$349.00	Check Request missing quote to verify pricing	IXL Learning, Inc	CTE	Requested quote from Dept; resolved
#48	LMZ	A	281036-281107	\$5,609.60	Invoice matching error (\$327.58)	Spectrum	A/P	Check mailed

<b>Contractor Report</b>					
<b>July 2020 - September 2020</b>					
<b>Vendor</b>	<b>Department</b>	<b>Amount</b>	<b>Purpose</b>	<b>Term</b>	<b>Category</b>
Aramark	Administration	\$280,955	Facility Management	Multi Yr	Exempt
BFB Associates	Administration	\$112,801	Lease of Building Space	Multi Yr	Lease
Businessolver	Administration	\$157,051	Electronic Enrollment System	Multi Yr	Exempt
Capital Computers Assoc. Inc.	Administration	\$97,279	Accounting Software Support	1 Yr	Accounting Software
Crosby-Brownlie Inc.	Administration	\$40,214	Capital Project Vendor	Multi Yr	Capital Project
David Corporation	Workers' Comp	\$56,245	Claims System	Multi Yr	Exempt
Diehl Development Inc.	Administration	\$327,896	Capital Project Vendor	Multi Yr	Capital Project
Gateway Commons Holding Corp.	Administration	\$93,032	Lease of Building Space	Multi Yr	Lease
M&T Bank	CaTS	\$143,630	Lease of BOCES/District Equipment	Multi Yr	NYS
Precision Properties	Administration	\$80,300	Lease of Building Space	Multi Yr	Lease
Spencerport Investors LLC	Administration	\$40,900	Lease of Building Space	Multi Yr	Lease
SWBR Architecture	Administration	\$56,000	Architect Services	Multi Yr	Exempt
Tech Park Owner LLC	Administration / CWD	\$117,124	Lease of Building Space	Multi Yr	Lease
Testa Construction Inc.	Administration	\$724,651	Capital Project Vendor	Multi Yr	Capital Project
Toshiba Business Solutions	CaTS	\$73,306	Lease of BOCES/District Equipment	Multi Yr	Lease
Turner Drive Associates	Administration	\$56,250	Lease of Building Space	Multi Yr	Lease
United Parcel Service	ESP	\$40,806	Package Delivery Service	1 Yr	NYS
Xerox Corporation	CaTS	\$97,850	Lease of BOCES/District Equipment	Multi Yr	NYS

**Monroe 2 - Orleans BOCES  
Extra Class Report  
July - September 2020**

**Balance 7/1/2020** **\$6,205.89**

**Add:**

Deposit - Coke / Juice Machine					\$117.00
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				<b>Total Receipts</b>	<b>\$117.00</b>
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**Deduct:**

				<b>Total Deductions</b>	<b>\$0.00</b>
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**Balance 9/30/20** **\$6,322.89**

7. Old Business

1. Capital Project Update and Cost Report  
(Campus Construction)



8. Board Presentation: 2019-20 Audit (Ray Wager, CPA)
  1. Resolution to Accept the Audit Reports entitled Basic Financial Statement and Management Letter for the year ended June 30, 2020, as recommended by Jo Anne Antonacci, District Superintendent

**BOARD OF COOPERATIVE EDUCATIONAL  
SERVICES SECOND SUPERVISORY DISTRICT  
OF MONROE AND ORLEANS COUNTIES  
BASIC FINANCIAL STATEMENTS  
For Year Ended June 30, 2020**

**MENGEL METZGER BARR & CO. LLP**  
RAYMOND F. WAGER, CPA, P.C. DIVISION

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# MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

## INDEPENDENT AUDITORS' REPORT

To the Board Members  
Board of Cooperative Educational Services  
Second Supervisory District on Monroe and Orleans Counties

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the BOCES' proportionate share of the net pension liability, schedule of BOCES contributions, and budgetary comparison information on pages 4–11 and 47–51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 10, 2020 on our consideration of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's internal control over financial reporting and compliance.

Rochester, New York  
October 10, 2020

*Mengel, Metzger, Barz & Co. LLP*

**Board of Cooperative Educational Services**  
**Second Supervisory District of Monroe and Orleans Counties, New York**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2020**

**Introduction**

Our discussion and analysis of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's (BOCES) financial performance provides an overview of the BOCES' financial activities for the year ended June 30, 2020. It should be read in conjunction with the basic financial statements to enhance understanding of the BOCES financial performance, which immediately follows this section.

**Financial Highlights**

Key financial highlights for fiscal year 2020 are as follows:

The BOCES governmental fund financial statements report a combined ending fund balance of \$16,675,555 an increase of \$1,659,301 over the prior year. The increase in fund balance is due primarily to a decrease in capital spending.

On the government-wide financial statements, the liabilities of the BOCES exceeded assets by \$125,668,795, a decrease of \$9,202,442 over the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the BOCES' basic financial statements. The BOCES' basic financial statements are comprised of three components: government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

*Government-Wide Financial Statements*

The *government-wide financial statements* are designed to provide readers with a broad overview of the BOCES' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the BOCES' assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the BOCES is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental activities* of the BOCES include administration, career & tech education, instruction for the handicapped, itinerant services, general instruction, instructional support, other services, and depreciation.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

### *Fund Financial Statements*

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The BOCES, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the BOCES can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the BOCES' near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The BOCES maintains four individual governmental funds; General Fund, Special Aid Fund, Special Projects Fund, and Capital Project Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund. The BOCES reports the General Fund and Special Aid Fund as major funds and the Special Projects Fund and Capital Projects Fund non-major funds.

The BOCES adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the BOCES in an agency capacity which accounts for assets held by the BOCES on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support the BOCES' programs.



The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of the report.

**Government-Wide Financial Analysis**

A comparative analysis of government-wide financial analysis using the full accrual basis of accounting is provided with prior year history.

Net position may serve over time as a useful indicator of the BOCES' financial position. As of June 30, 2020 the BOCES liabilities exceeded the assets by \$125,668,795 at the close of the year.

**Net Position**

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2020</u>	<u>2019</u>	
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 40,339,306	\$ 36,896,183	\$ 3,443,123
Capital Assets	40,101,833	39,719,492	382,341
<b>Total Assets</b>	<b><u>\$ 80,441,139</u></b>	<b><u>\$ 76,615,675</u></b>	<b><u>\$ 3,825,464</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b><u>\$ 58,533,457</u></b>	<b><u>\$ 35,036,038</u></b>	<b><u>\$ 23,497,419</u></b>
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 206,391,581	\$ 19,347,795	\$ 187,043,786
Other Liabilities	20,062,618	177,024,684	(156,962,066)
<b>Total Liabilities</b>	<b><u>\$ 226,454,199</u></b>	<b><u>\$ 196,372,479</u></b>	<b><u>\$ 30,081,720</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b><u>\$ 38,189,192</u></b>	<b><u>\$ 31,745,587</u></b>	<b><u>\$ 6,443,605</u></b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 40,101,833	\$ 39,719,492	\$ 382,341
<u>Restricted For,</u>			
Capital Projects	2,966,636	2,602,522	364,114
Retirement Contributions	10,969,076	10,835,811	133,265
Other Purposes	3,514,703	2,958,957	555,746
Unrestricted	(183,221,043)	(172,583,135)	(10,637,908)
<b>Total Net Position</b>	<b><u>\$ (125,668,795)</u></b>	<b><u>\$ (116,466,353)</u></b>	<b><u>\$ (9,202,442)</u></b>

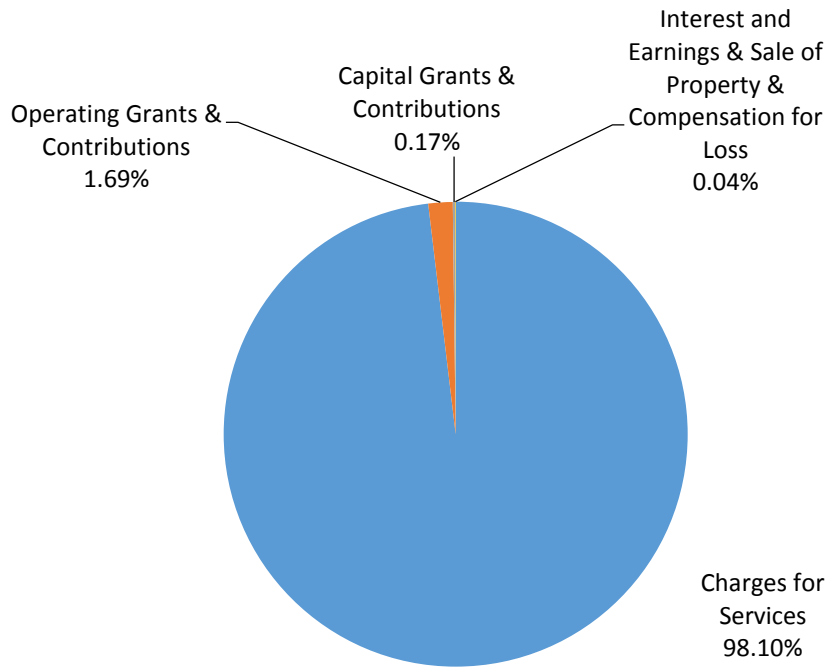
By far, the largest component of the BOCES' net position is reflected in its net investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The BOCES uses these capital assets to provide services to the students and consequently, these assets are not available for future spending.

**Changes in Net position:**

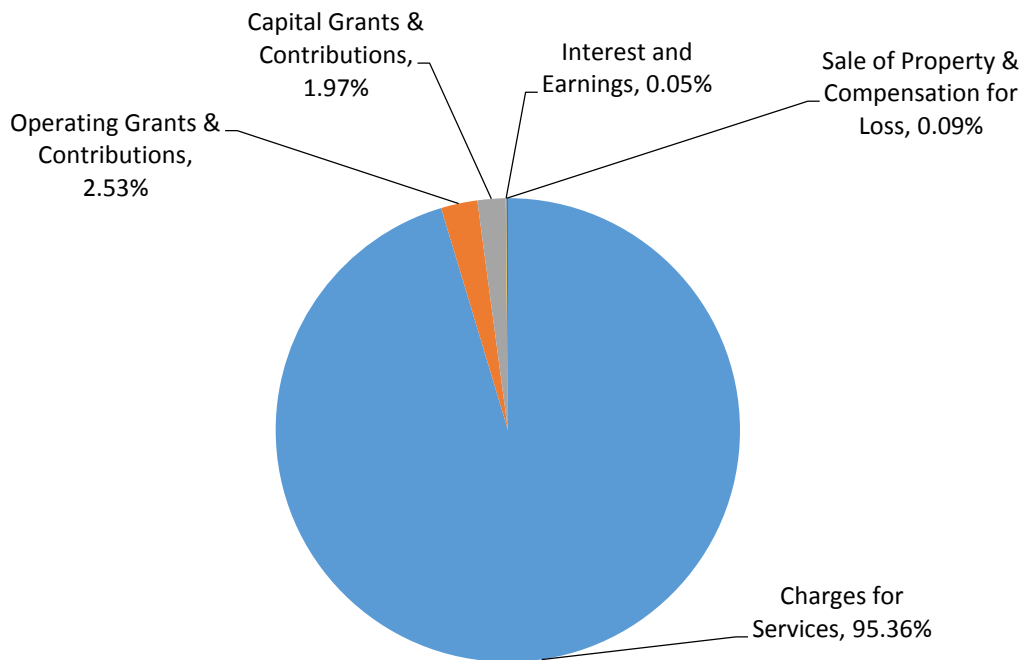
	<u>Governmental Activities</u>		<u>Total</u>
	<u>2020</u>	<u>2019</u>	<u>Variance</u>
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 100,663,223	\$ 100,281,398	\$ 381,825
Operating Grants & Contributions	1,735,023	2,662,564	(927,541)
Capital Grants & Contributions	169,758	2,071,096	(1,901,338)
<b>Total Program</b>	<b>\$ 102,568,004</b>	<b>\$ 105,015,058</b>	<b>\$ (2,447,054)</b>
<b><u>General -</u></b>			
Investment Earnings	\$ 40,240	\$ 52,638	\$ (12,398)
Compensation for Loss	4,562	98,566	(94,004)
<b>Total General</b>	<b>\$ 44,802</b>	<b>\$ 151,204</b>	<b>\$ (106,402)</b>
<b>TOTAL REVENUES</b>	<b>\$ 102,612,806</b>	<b>\$ 105,166,262</b>	<b>\$ (2,553,456)</b>
<b><u>EXPENSES:</u></b>			
Administration	\$ 8,693,834	\$ 8,593,120	\$ 100,714
Career and Tech Education	10,554,390	10,490,434	63,956
Instruction for the Handicapped	39,635,015	40,866,173	(1,231,158)
Itinerant Services	10,587,685	8,632,379	1,955,306
General Information	4,602,463	4,694,963	(92,500)
Instructional Support	20,041,979	20,552,801	(510,822)
Other Services	17,699,882	12,893,684	4,806,198
<b>TOTAL EXPENSES</b>	<b>\$ 111,815,248</b>	<b>\$ 106,723,554</b>	<b>\$ 5,091,694</b>
<b>INCREASE IN NET POSITION</b>	<b>\$ (9,202,442)</b>	<b>\$ (1,557,292)</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>(116,466,353)</b>	<b>(114,909,061)</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ (125,668,795)</b>	<b>\$ (116,466,353)</b>	

Governmental activities decreased the BOCES net position by \$9,202,442.

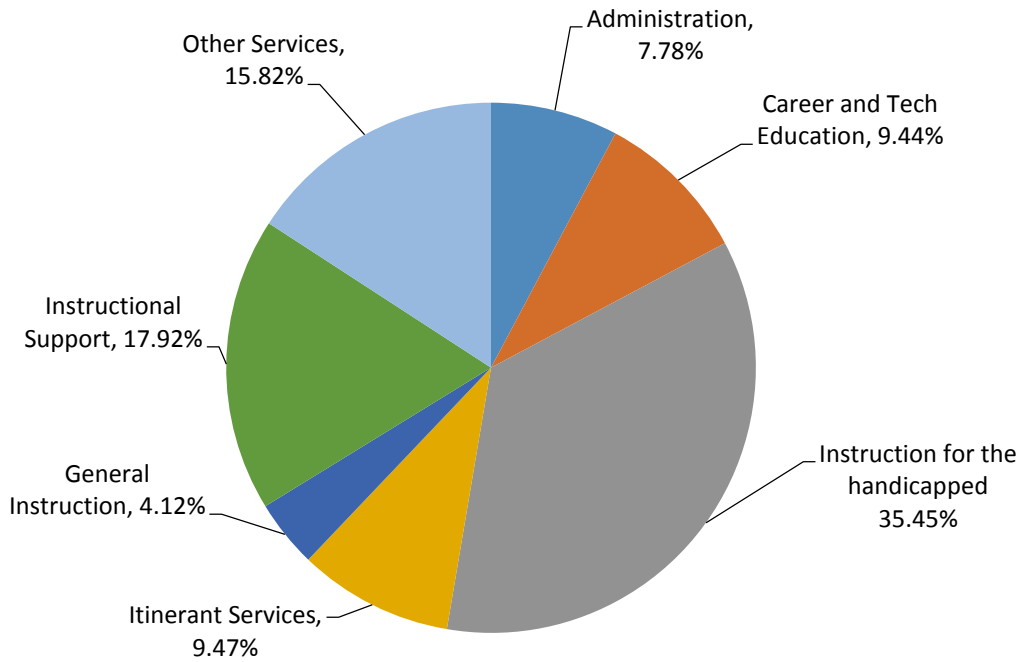
## REVENUES 2020



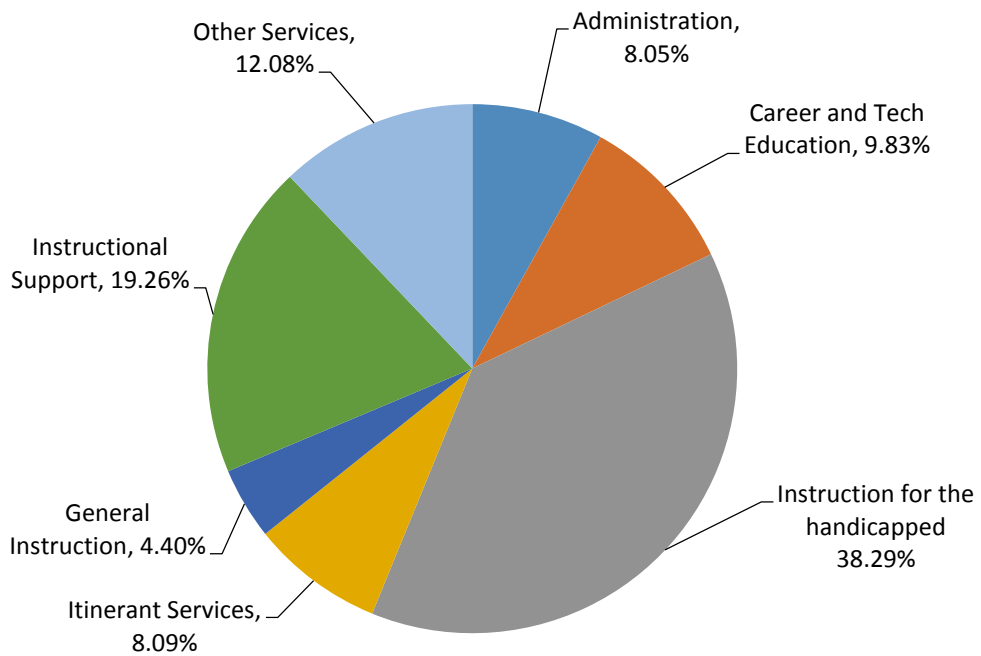
## REVENUES 2019



## EXPENSES 2020



## EXPENSES 2019



## Financial Analysis of the BOCES' Funds

The financial performance of the BOCES as a whole is reflected in its governmental funds. As the BOCES completed the year, its governmental funds reported combined fund balances of \$16,675,555 which is more than last year's ending fund balance of \$15,016,254. A summary of the General Fund balance classifications is shown below:

<b><u>General Fund Balances:</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Total Variance</u></b>
Restricted	\$ 14,483,779	\$ 13,794,768	\$ 689,011
Assigned	3,370,089	1,792,894	1,577,195
<b>Total General Fund Balances</b>	<b><u>\$ 17,853,868</u></b>	<b><u>\$ 15,587,662</u></b>	<b><u>\$ 2,266,206</u></b>

## General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$8,304,374. This change is attributable to additional requests for services by our component and non-component districts.

## Capital Assets

At June 30, 2020 the BOCES has \$40,101,833, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Land	\$ 118,702	\$ 118,702
Work in Progress	29,161,628	28,954,628
Buildings and Improvements	6,089,581	6,346,803
Machinery and Equipment	4,731,922	4,299,359
<b>Total Capital Assets</b>	<b><u>\$ 40,101,833</u></b>	<b><u>\$ 39,719,492</u></b>

More detailed information about the BOCES' capital assets is presented in the notes to the financial statements.

## Long-Term Debt

At June 30, 2020, the BOCES had \$206,391,381 in other long-term debt outstanding as follows:

<b><u>Type</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Net Pension Liability	\$ 13,386,832	\$ 3,660,889
OPEB	191,567,978	172,286,409
Compensated Absences	1,436,771	1,077,386
<b>Total Long-Term Obligations</b>	<b><u>\$ 206,391,581</u></b>	<b><u>\$ 177,024,684</u></b>

More detailed information about the BOCES' long-term liabilities is presented in the notes to the financial statements.

## **Factors Bearing on the BOCES' Future**

Under normal circumstances the tax cap can have an impact on the amount of services requested from BOCES. Moving forward, this is compounded further by the uncertainty that COVID-19 presents and whether NYS withholds future funding from school districts.

## **Requests for Information**

This financial report is designed to provide a general overview of the BOCES' finances for all those with an interest in the BOCES' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Board of Cooperative Educational Services  
Second Supervisory District of Monroe and Orleans Counties  
Attn: Mr. Steve Roland, Director of Finance  
3599 Big Ridge Road  
Spencerport, New York 14559**

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**

**Statement of Net Position**

**June 30, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 20,264,848
Accounts receivable	16,173,773
Due from Districts	464,745
Long term net pension asset	3,435,940
<b>Capital Assets:</b>	
Land	118,702
Work in progress	29,161,628
Other capital assets (net of depreciation)	10,821,503
<b>TOTAL ASSETS</b>	<b><u>\$ 80,441,139</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflow of resources	<u>\$ 58,533,457</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,766,876
Accrued liabilities	179,821
Unearned revenue	1,559
State aid due to districts	14,288,249
Due to teachers' retirement system	2,197,194
Due to employees' retirement system	628,359
Overpayments and collections in advance	560
<b>Long-Term Obligations:</b>	
Due in one year	165,193
Due in more than one year	206,226,388
<b>TOTAL LIABILITIES</b>	<b><u>\$ 226,454,199</u></b>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflow of resources	<u>\$ 38,189,192</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 40,101,833
<b>Restricted For:</b>	
Capital projects	2,966,636
Retirement contribution reserve	10,969,076
Other Purposes	3,514,703
Unrestricted	(183,221,043)
<b>TOTAL NET POSITION</b>	<b><u><u>\$ (125,668,795)</u></u></b>

(See accompanying notes to financial statements)

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**

**Statement of Activities and Changes in Net Position  
For Year Ended June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
<b>Primary Government -</b>					<b>Governmental</b> <b>Activities</b>
Administration	\$ 8,693,834	\$ 8,329,588	\$ -	\$ -	\$ (364,246)
Career & tech education	10,554,390	8,986,701	805,885	-	(761,804)
Instruction for the handicapped	39,635,015	37,368,294	19,706	-	(2,247,015)
Itinerant services	10,587,685	7,723,233	-	-	(2,864,452)
General instruction	4,602,463	3,770,864	408,871	-	(422,728)
Instructional support	20,041,979	19,650,026	500,561	-	108,608
Other services	17,699,882	14,834,517	-	169,758	(2,695,607)
<b>Total Primary Government</b>	<b>\$ 111,815,248</b>	<b>\$ 100,663,223</b>	<b>\$ 1,735,023</b>	<b>\$ 169,758</b>	<b>\$ (9,247,244)</b>
<b>General Revenues:</b>					
					\$ 40,240
					4,562
					<b>\$ 44,802</b>
					\$ (9,202,442)
					(116,466,353)
					<b>\$ (125,668,795)</b>

(See accompanying notes to financial statements)



**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	<u>Major</u>		<u>Nonmajor</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Special Projects Fund</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,605,592	\$ 1,692,620	\$ 2,966,636	\$ -	\$ 20,264,848
Due from other funds	7,409,087	210,918	-	-	7,620,005
Receivables	14,526,314	1,647,459	-	-	16,173,773
Due from Districts	464,745	-	-	-	464,745
<b>TOTAL ASSETS</b>	<b><u>\$ 38,005,738</u></b>	<b><u>\$ 3,550,997</u></b>	<b><u>\$ 2,966,636</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 44,523,371</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b><u>Liabilities -</u></b>					
Accounts payable	\$ 2,540,074	\$ 226,802	\$ -	\$ -	\$ 2,766,876
Accrued liabilities	144,947	34,874	-	-	179,821
Due to other funds	225,183	6,487,822	-	907,000	7,620,005
State aid due to districts	14,288,249	-	-	-	14,288,249
Due to TRS	2,197,194	-	-	-	2,197,194
Due to ERS	628,359	-	-	-	628,359
Overpayments and collections in advance	560	-	-	-	560
Compensated Absences	125,745	39,448	-	-	165,193
Unearned revenues	1,559	-	-	-	1,559
<b>TOTAL LIABILITIES</b>	<b><u>\$ 20,151,870</u></b>	<b><u>\$ 6,788,946</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 907,000</u></b>	<b><u>\$ 27,847,816</u></b>
<b><u>Fund Balances -</u></b>					
Restricted	\$ 14,483,779	\$ -	\$ 2,966,636	\$ -	\$ 17,450,415
Assigned	3,370,089	-	-	-	3,370,089
Unassigned	-	(3,237,949)	-	(907,000)	(4,144,949)
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 17,853,868</u></b>	<b><u>\$ (3,237,949)</u></b>	<b><u>\$ 2,966,636</u></b>	<b><u>\$ (907,000)</u></b>	<b><u>\$ 16,675,555</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 38,005,738</u></b>	<b><u>\$ 3,550,997</u></b>	<b><u>\$ 2,966,636</u></b>	<b><u>\$ -</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

40,101,833

The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:

OPEB	(191,567,978)
Compensated absences	(1,271,578)
Net Pension Asset	3,435,940
Deferred Outflow of Resources - pension	19,932,721
Deferred Outflow of Resources - OPEB	38,600,736
Net Pension Liability	(13,386,832)
Deferred Inflow of Resources - pension	(5,217,575)
Deferred Inflow of Resources - OPEB	(32,971,617)

**Net Position of Governmental Activities**

**\$ (125,668,795)**

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For Year Ended June 30, 2020**

	<u>Major</u>		<u>Nonmajor</u>		<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Aid</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Special</u> <u>Projects</u> <u>Fund</u>	
<b>REVENUES</b>					
Charges for services	\$ 25,870	\$ 334,201	\$ -	\$ -	\$ 360,071
Charges to components	79,758,685	2,136,174	-	-	81,894,859
Chargest to non-components and other BOCES	17,468,060	568,265	-	-	18,036,325
Interest and earnings	20,113	-	1,356	-	21,469
Sale of property and compensation for loss	4,562	-	-	-	4,562
Miscellaneous	1,890,151	3,724,455	-	-	5,614,606
Interfund revenues	-	-	400,000	-	400,000
State sources	-	1,562,657	169,758	-	1,732,415
Federal sources	-	800,210	-	-	800,210
<b>TOTAL REVENUES</b>	<b>\$ 99,167,441</b>	<b>\$ 9,125,962</b>	<b>\$ 571,114</b>	<b>\$ -</b>	<b>\$ 108,864,517</b>
<b>EXPENDITURES</b>					
Administration	\$ 8,412,375	\$ -	\$ -	\$ -	\$ 8,412,375
Career and tech education	7,768,630	2,680,284	-	-	10,448,914
Instruction for the handicapped	34,505,936	5,909,329	-	-	40,415,265
Itinerant services	7,677,138	40,233	-	-	7,717,371
General instruction	3,670,844	787,249	-	-	4,458,093
Instructional support	17,791,123	519,886	-	160,000	18,471,009
Other services	12,521,562	-	-	-	12,521,562
Capital outlay	-	-	207,000	-	207,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 92,347,608</b>	<b>\$ 9,936,981</b>	<b>\$ 207,000</b>	<b>\$ 160,000</b>	<b>\$ 102,651,589</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b> <b>OVER EXPENDITURES</b>	<b>\$ 6,819,833</b>	<b>\$ (811,019)</b>	<b>\$ 364,114</b>	<b>\$ (160,000)</b>	<b>\$ 6,212,928</b>
<b>OTHER CHANGES IN FUND BALANCE</b>					
Surplus to be distributed	(5,242,638)	-	-	-	(5,242,638)
Net unemployment reserve transactions	2,504	-	-	-	2,504
Net capital reserve transactions	44,560	-	-	-	44,560
Net retirement contribution reserve transactions	133,265	-	-	-	133,265
Net teacher's retirement reserve transactions	441,502	-	-	-	441,502
Net liability reserve transactions	6,624	-	-	-	6,624
Net change in employee accrued benefit liability reserve	60,556	-	-	-	60,556
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>15,587,662</b>	<b>(2,426,930)</b>	<b>2,602,522</b>	<b>(747,000)</b>	<b>15,016,254</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 17,853,868</b>	<b>\$ (3,237,949)</b>	<b>\$ 2,966,636</b>	<b>\$ (907,000)</b>	<b>\$ 16,675,555</b>

(See accompanying notes to financial statements)

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For Year Ended June 30, 2020**

<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 1,659,301</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess of depreciation in the current period:	
Capital Outlay	\$ 207,000
Additions to Assets, Net	1,848,764
Depreciation	<u>(1,673,423)</u>
	382,341
The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(6,036,807)
(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds	
Teachers' Retirement System	(2,299,751)
Employees' Retirement System	(2,573,727)
In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:	
Compensated Absences	<u>(333,799)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ (9,202,442)</u></u></b>

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**

**Statement of Fiduciary Net Position  
June 30, 2020**

	<b>Private Purpose Trust</b>	<b>Agency Funds</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 95,744	\$ 163,931,851
<b>Total Assets</b>	\$ 95,744	\$ 163,931,851
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 943,629
Student activity balance	-	6,206
Other liabilities - RASHP I	-	14,887,989
Other liabilities - RASHP II	-	121,738,064
Other liabilities - worker's comp consortium	-	25,145,759
Other liabilities	-	1,210,204
<b>Total liabilities</b>	\$ -	\$ 163,931,851
 <b>Net Position</b>		
Restricted for scholarships	\$ 95,744	
<b>Total Net Position</b>	\$ 95,744	

**Statement of Changes in Fiduciary Net Position  
For Year Ended June 30, 2020**

	<b>Private Purpose Trust</b>
<b>Additions</b>	
Interest and earnings	\$ 624
Donations	5,000
<b>Deductions</b>	
Scholarships and other trust expenses	(7,919)
<b>Change in Net Position</b>	\$ (2,295)
<b>Net Position, Beginning of Year</b>	98,039
<b>Net Position, End of Year</b>	\$ 95,744

(See accompanying notes to financial statements)

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF  
MONROE AND ORLEANS COUNTIES**

**Notes To The Basic Financial Statements**

**June 30, 2020**

**I. Summary of Significant Accounting Policies:**

The financial statements of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York (the BOCES) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the BOCES accounting policies are described below.

**A. Reporting Entity**

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

The reporting entity of the BOCES is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. 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.

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

Brockport	Churchville-Chili	Gates Chili
Greece	Hilton	Holley
Kendall	Spencerport	Wheatland-Chili

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

**( I. ) (Continued)**

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 review of certain entities included in the BOCES' reporting entity.

**1. Extraclassroom Activity Funds**

The extraclassroom activity funds of the BOCES represent funds of the students of the BOCES. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the BOCES with respect to its financial transactions, and the designation of student management. The cash and investment balances are reported in the Statement of Fiduciary Net Position – Agency Funds of the BOCES. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the BOCES' business office.

**B. Basic Financial Statements**

**1. BOCES-wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the BOCES' governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through state aid, sale of property and equipment, investment revenues and other miscellaneous revenues which consist primarily of refunds from other Districts. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

**2. 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 remaining governmental funds are aggregated and reported as nonmajor funds.

The BOCES reports the following funds:

**a. Major Governmental Funds**

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

( I. ) (Continued)

**Special Aid Fund** - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

**Capital Projects Fund** - Used to account for the financial resources to be used for acquisition, construction, or renovation of capital facilities.

**Special Projects Fund** - This fund accounts for the specific revenue sources and startup costs of the BOCES 4 Science project.

c. **Fiduciary** - 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. There are two classes of fiduciary funds:

**Private Purpose Trust Funds** - These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the BOCES or representatives of the donors may serve on committees to determine who benefits.

**Agency Funds** - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the BOCES as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

C. **Measurement Focus, Basis of Accounting**

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

The BOCES-Wide 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 fund financial 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.

**( I. ) (Continued)**

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

**D. Restricted Resources**

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

**E. Interfund Transactions**

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

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

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

Refer to Note VI for a detailed disclosure by individual fund for interfund receivables and payables.

**F. Estimates**

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

**G. Cash and Cash Equivalents**

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

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



**( I. ) (Continued)**

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

**H. Receivables**

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**I Inventory and Prepaid Items**

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Prepaid items represent payments made by the BOCES for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

**J. Capital Assets**

In the BOCES-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

**K. Unearned Revenue**

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

**( I. ) (Continued)**

**L. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 proportion share of total contributions to the pension systems not included in pension expense. The third item is the BOCES contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The BOCES has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the BOCES-wide Statement of Net Position. This represents the effect of the net change in the BOCES' proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the BOCES' contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the BOCES-wide Statement of Net Position. This represents the effect on the net changes of assumptions or other inputs.

**M. Vested Employee Benefits**

**1. Compensated Absences**

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

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

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

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

( I. ) (Continued)

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

**N. 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 coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the BOCES' employees may become eligible for these benefits if they reach normal retirement age while working for the BOCES. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the BOCES and the retired employee. The BOCES recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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

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

**P. Equity Classifications**

**1. BOCES-Wide Statements**

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

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

**b. Restricted Net Position** - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

( I. ) (Continued)

On the Statement of Net Position the following balances represent the restricted for other purposes:

	<b><u>Total</u></b>
Unemployment Costs	\$ 419,257
Employee Benefit Accrued Liability	377,234
Teachers' Retirement	872,540
CTE Capital Reserve	667,139
Liability	<u>1,178,533</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u>\$ 3,514,703</u></b>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$183,221,043 at year end is the result of full implantation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

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

**Capital Reserve - CTE** - shall be used to purchase only technologically advanced equipment to be used for instruction in State-Approved CTE sequences, courses or curricula. Funding amounts not to exceed the greater of 20% of the BOCES current year CTE services budget, or \$500,000 may be retained in this fund at the end of each school year for future expenditures, provided that the total amount retained does not exceed \$2,000,000. The reserve was depleted \$44,560 during the year, and the balance at June 30, 2020, is \$667,139. This reserve is accounted for in the General Fund.

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

**( I. ) (Continued)**

**Retirement Contribution Reserve** - as allowed by General Municipal Law Section 6-r, is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board.

**Teachers' Retirement Reserve** – General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

**Insurance Reserve** - as allowed by General Municipal Law Section 6-n, is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve maybe established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriation, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the General Fund.

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

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and the School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

( I. ) (Continued)

Restricted fund balances include the following:

	<u><b>Total</b></u>
<u><b>General Fund -</b></u>	
Unemployment	\$ 419,257
Reserve for ERS	10,969,076
Reserve for TRS	872,540
Insurance	1,178,533
CTE Capital Reserve	667,139
Employee Benefit Accrued Liability	377,234
<u><b>Capital Fund -</b></u>	
Capital Projects	2,966,636
<b>Total Restricted Fund Balance</b>	<u><b>\$ 17,450,415</b></u>

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board. The BOCES has no committed fund balances as of June 30, 2020.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the BOCES’ intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the BOCES’ purchasing agent through their authorization of a purchase order prior to year end. The BOCES assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be \$515,000 and \$5,000 for the Capital Fund. The BOCES reports the following significant encumbrances:

<u><b>General Fund -</b></u>	
Instructional Support	<u><b>\$ 2,763,180</b></u>
<u><b>Capital Projects Fund -</b></u>	
Capital Outlay	<u><b>\$ 90,713</b></u>

Assigned fund balances include the following:

	<u><b>Total</b></u>
General Fund - Encumbrances	\$ 3,270,089
General Fund - Retiree Health	100,000
<b>Total Assigned Fund Balance</b>	<u><b>\$ 3,370,089</b></u>

e. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the BOCES.

**( I. ) (Continued)**

**3. Order of Use of Fund Balance**

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

**Q. New Accounting Standards**

The BOCES has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2020, the BOCES implemented the following new standards issued by GASB:

GASB has issued Statement 92, *Omnibus 2020, Paragraphs 1-11a, and 12*.

GASB has issued Statement No. 95, *Postponement of the Effective Dates for Certain Authoritative Guidance*.

**R. Future Changes in Accounting Standards**

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2019.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2020.

GASB has issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2019.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 92, *Omnibus 2020, Paragraphs 6, 7, 8, 9, 10, 12*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 1-11a, and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 11b*, which will be effective for reporting periods beginning after December 15, 2021.

**( I. ) (Continued)**

GASB has issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which will be effective for reporting periods beginning after June 15, 2022.

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

**II. Stewardship, Compliance and Accountability:**

By its nature as a local government unit, the BOCES is subject to various federal, state and local laws and contractual regulations. An analysis of the BOCES' compliance with significant laws and regulations and demonstration of its stewardship over BOCES resources follows.

**A. Budgetary Information**

Section 1950 §4(b) of the Education Law required adoption of a final budget by no later than May 15, of the ensuing year.

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

Appropriations for educational services are adopted at the program level and lapse at the end of each fiscal year.

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

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The Special Revenue Funds have not been included in the budget and actual comparison because they do not have legally authorized (appropriated) budgets.

The BOCES Board can approve budget revisions based upon requests for additional services and surplus revenues.

**B. Deficit Fund Balance**

**1. Special Aid Fund**

The Special Aid Fund had a deficit fund balance of \$3,237,949 as a result of operating expenditures exceeding revenues in the Continuing Education Programs.

**2. Special Projects Fund**

The Special Projects Fund had a deficit fund balance of \$907,000 at June 30, 2020, which is a result of startup expenses incurred by the BOCES 4 Science project prior to the completion of the science kits.



( II. ) (Continued)

C. **Deficit Net Position**

The BOCES-wide net position had a deficit at June 30, 2020 of \$125,668,795. The deficit is the result of the implementation of GASB Statement 75, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, which required the recognition of an unfunded liability of \$191,567,978 at June 30, 2020. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

III. **Cash and Cash Equivalents**

**Credit risk:** In compliance with the State Law, BOCES investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

**Concentration of Credit risk:** To promote competition in rates and service cost, and to limit the risk of institutional failure, BOCES deposits and investments are placed with multiple institutions. The BOCES’ investment policy limits the amounts that may be deposited with any one financial institution.

**Interest rate risk:** The BOCES has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates

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

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		100,214,197
Collateralized within Trust Department or Agent		56,325,606
<b>Total</b>	<b>\$</b>	<b><u>156,539,803</u></b>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$17,450,415 within the governmental funds and \$95,744 in the fiduciary funds.

IV. **Investments**

The BOCES maintains certain accounts in its Agency Funds which hold investments in US treasuries. The investments mature in less than 6 months, are highly liquid, and are considered to be cash equivalents.

( IV. ) (Continued)

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
Agency Fund	\$ 37,982,000	\$ 37,932,628	US Treasury Bills

V. Receivables

Receivables at June 30, 2020 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>		
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Total</u>
Accounts Receivable	\$ 238,065	\$ 661,088	\$ 899,153
Due From State and Federal	14,288,249	986,371	15,274,620
<b>Total Receivables</b>	<b>\$ 14,526,314</b>	<b>\$ 1,647,459</b>	<b>\$ 16,173,773</b>

BOCES management has deemed the amounts to be fully collectible.

VI. Interfund Receivables and Payables

Interfund Receivables and Payables at June 30, 2020, were as follows:

	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 7,409,087	\$ 225,183
Special Aid Fund	210,918	6,487,822
Misc Revenue A	-	907,000
<b>Total</b>	<b>\$ 7,620,005</b>	<b>\$ 7,620,005</b>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The BOCES typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs and support capital project expenditures.

**VII. Changes In Capital Assets**

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance 7/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 118,702	\$ -	\$ -	\$ 118,702
Work in progress	28,954,628	207,000	-	29,161,628
<i>Total Nondepreciable</i>	<u>\$ 29,073,330</u>	<u>\$ 207,000</u>	<u>\$ -</u>	<u>\$ 29,280,330</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 13,392,636	\$ -	\$ -	\$ 13,392,636
Machinery and equipment	12,745,465	1,857,196	(113,570)	14,489,091
<i>Total Depreciated Assets</i>	<u>\$ 26,138,101</u>	<u>\$ 1,857,196</u>	<u>\$ (113,570)</u>	<u>\$ 27,881,727</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 7,045,833	\$ 257,222	\$ -	\$ 7,303,055
Machinery and equipment	8,446,106	1,416,201	(105,138)	9,757,169
<i>Total Accumulated Depreciation</i>	<u>\$ 15,491,939</u>	<u>\$ 1,673,423</u>	<u>\$ (105,138)</u>	<u>\$ 17,060,224</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 10,646,162</u>	<u>\$ 183,773</u>	<u>\$ (8,432)</u>	<u>\$ 10,821,503</u>
<b>Total Capital Assets</b>	<b><u>\$ 39,719,492</u></b>	<b><u>\$ 390,773</u></b>	<b><u>\$ (8,432)</u></b>	<b><u>\$ 40,101,833</u></b>

Depreciation expense for the period was charged to functions/programs as follows:

<b><u>Governmental Activities:</u></b>	
Administration	\$ 29,835
Career and Tech Education	1,338,298
Instruction for the Handicapped	37,339
Instructional Support	7,552
Other Services	260,399
<b>Total Depreciation Expense</b>	<b><u>\$ 1,673,423</u></b>

**VIII. Long-Term Obligations**

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

<u>Governmental Activities:</u>	<u>Balance 7/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>	<u>Due Within One Year</u>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ 3,660,889	\$ 9,725,943	\$ -	\$ 13,386,832	\$ -
OPEB	172,286,409	19,281,569	-	191,567,978	-
Compensated Absences	1,077,386	359,385	-	1,436,771	165,193
<b>Total Other Liabilities</b>	<u>\$ 177,024,684</u>	<u>\$ 29,366,897</u>	<u>\$ -</u>	<u>\$ 206,391,581</u>	<u>\$ 165,193</u>
<b>Total Long-Term Obligations</b>	<b><u>\$ 177,024,684</u></b>	<b><u>\$ 29,366,897</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 206,391,581</u></b>	<b><u>\$ 165,193</u></b>

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

**IX. Deferred Inflows/Outflows of Resources**

The following is a summary of the deferred inflows/outflows of resources:

	<b><u>Deferred Outflows</u></b>	<b><u>Deferred Inflows</u></b>
Pension	\$ 19,932,721	\$ 5,217,575
OPEB	38,600,736	32,971,617
<b>Total</b>	<b><u>\$ 58,533,457</u></b>	<b><u>\$ 38,189,192</u></b>

**X. Pension Plans**

**A. General Information**

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

**B. Provisions and Administration**

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The BOCES also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

( X. ) (Continued)

C. **Funding Policies**

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

The BOCES' share of the required contributions, based on covered payroll paid for the BOCES' year ended June 30, 2020:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2020	\$ 2,142,818	\$ 2,197,194

D. **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At June 30, 2020, the BOCES reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The BOCES' proportion of the net pension asset/(liability) was based on a projection of the BOCES' long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the BOCES.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Net pension assets/(liability)	\$ (13,386,832)	\$ 3,435,940
District's portion of the Plan's total net pension asset/(liability)	0.050553%	0.132253%

For the year ended June 30, 2020, the BOCES recognized pension expenses of \$4,719,777 for ERS and \$4,219,727 for TRS. At June 30, 2020 the BOCES' reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

( X. ) (Continued)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 787,869	\$ 2,328,449	\$ -	\$ 255,503
Changes of assumptions	269,547	6,490,951	232,750	1,582,678
Net difference between projected and actual earnings on pension plan investments	6,862,741	-	-	2,755,447
Changes in proportion and differences between the District's contributions and proportionate share of contributions	432,277	215,189	114,822	276,375
Subtotal	<u>\$ 8,352,434</u>	<u>\$ 9,034,589</u>	<u>\$ 347,572</u>	<u>\$ 4,870,003</u>
District's contributions subsequent to the measurement date	628,359	1,917,339	-	-
<b>Grand Total</b>	<b><u>\$ 8,980,793</u></b>	<b><u>\$ 10,951,928</u></b>	<b><u>\$ 347,572</u></b>	<b><u>\$ 4,870,003</u></b>

BOCES contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020	\$ -	\$ 1,525,064
2021	1,421,375	69,230
2022	2,050,545	1,519,429
2023	2,518,679	1,036,591
2024	2,014,263	125,511
Thereafter	-	(111,239)
<b>Total</b>	<b><u>\$ 8,004,862</u></b>	<b><u>\$ 4,164,586</u></b>

**E. Actuarial Assumptions**

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.80%	7.10%
Salary scale	4.20%	4.72%-1.90%
Decrement tables	April 1, 2010- March 31, 2015	July 1, 2009- June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.50%	2.20%
COLA's	1.30%	1.30%

( X. ) (Continued)

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2018.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized as follows:

<b>Long Term Expected Rate of Return</b>		
	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2020	June 30, 2019
<b><u>Asset Type -</u></b>		
Domestic equity	4.05%	6.30%
International equity	6.15%	7.80%
Global equity	0.00%	7.20%
Private equity	6.75%	9.90%
Real estate	4.95%	4.60%
Absolute return strategies *	3.25%	0.00%
Opportunistic portfolios	4.65%	0.00%
Real assets	5.95%	0.00%
Bonds and mortgages	0.75%	0.00%
Cash	0.00%	0.00%
Inflation-indexed bonds	0.50%	0.00%
Private debt	0.00%	6.50%
Real estate debt	0.00%	2.90%
High-yield fixed income securities	0.00%	3.60%
Domestic fixed income securities	0.00%	1.30%
Global fixed income securities	0.00%	0.90%
Short-term	0.00%	0.30%

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

\* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

**F. Discount Rate**

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

( X. ) (Continued)

**G. Sensitivity 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 6.80% for ERS and 7.10% for TRS, as well as what the BOCES' proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.80% for ERS and 6.10% for TRS ) or 1-percentagepoint higher (7.80% for ERS and 8.10% for TRS) than the current rate :

<u>ERS</u>	<b>1% Decrease (5.80%)</b>	<b>Current Assumption (6.80%)</b>	<b>1% Increase (7.80%)</b>
Employer's proportionate share of the net pension asset (liability)	\$ (24,568,617)	\$ (13,386,832)	\$ (3,088,361)
<u>TRS</u>	<b>1% Decrease (6.10%)</b>	<b>Current Assumption (7.10%)</b>	<b>1% Increase (8.10%)</b>
Employer's proportionate share of the net pension asset (liability)	\$ (15,509,476)	\$ 3,435,940	\$ 19,329,007

**H. Pension Plan Fiduciary Net Position**

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

	<b>(In Thousands)</b>	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Employers' total pension liability	\$ 194,596,261	\$ 119,879,474
Plan net position	168,115,682	122,477,481
Employers' net pension asset/(liability)	<u>\$ (26,480,579)</u>	<u>\$ 2,598,007</u>
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%	102.20%

**I. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$628,359.



( X. ) (Continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$2,197,194.

**XI. Postemployment Benefits**

**A. General Information About the OPEB Plan**

*Plan Description* – The BOCES' defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the BOCES. The plan is a single-employer defined benefit OPEB plan administered by the BOCES. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the BOCES Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

*Employees Covered by Benefit Terms* – At April 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	666
Active Employees	<u>705</u>
<b>Total</b>	<b><u><u>1,371</u></u></b>

**B. Total OPEB Liability**

The BOCES' total OPEB liability of \$191,567,978 was measured as of March 31, 2020, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	N/A
Salary Increases	3.22% average including inflation
Discount Rate	2.48%
Healthcare Cost Trend Rates	5.20% for 2020, decreasing to an ultimate rate of 4.18% after 2070
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for most retirees

( XI. ) (Continued)

The discount rate was based on Fidelity Municipal Go AA 20 year bond rate as of the measurement date (or the nearest business day thereto).

Mortality rates were based on the Mortality Improvement Scale MP-2019, as appropriate, with adjustments for mortality improvements based on Scale AA.

C. Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 172,286,409</u>
<u>Changes for the Year -</u>	
Service cost	\$ 4,864,538
Interest	5,929,221
Differences between expected and actual experience	(18,006,167)
Changes in assumptions or other inputs	31,283,837
Benefit payments	<u>(4,789,860)</u>
Net Changes	<u>\$ 19,281,569</u>
<b>Balance at June 30, 2020</b>	<b><u><u>\$ 191,567,978</u></u></b>

Changes of benefit terms reflect updated premium information and other retirement and healthcare cost trend rate changes.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44 percent in 2019 to 2.48 percent in 2020.

*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 (1.48 percent) or 1-percentage-point higher (3.48 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount</b>	<b>1% Increase</b>
	<b><u>(1.48%)</u></b>	<b><u>Rate</u></b>	<b><u>(3.48%)</u></b>
		<b><u>(2.48%)</u></b>	
Total OPEB Liability	\$ 228,618,339	\$ 191,567,978	\$ 162,704,778

*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 (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare</b>	<b>1% Increase</b>
	<b><u>(4.20%</u></b>	<b>Cost Trend Rates</b>	<b><u>(6.20%</u></b>
	<b><u>Decreasing</u></b>	<b><u>(5.20%</u></b>	<b><u>(6.20%</u></b>
	<b><u>to 3.18%)</u></b>	<b><u>Decreasing</u></b>	<b><u>Decreasing</u></b>
		<b><u>to 4.18%)</u></b>	<b><u>to 5.18%)</u></b>
Total OPEB Liability	\$ 158,766,675	\$ 191,567,978	\$ 234,597,286

( XI. ) (Continued)

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the BOCES recognized OPEB expense of \$9,543,443. At June 30, 2020, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 13,477,036	\$ 24,877,855
Changes of assumptions	23,926,235	8,093,762
Contributions after measurement date	1,197,465	-
<b>Total</b>	<b><u>\$ 38,600,736</u></b>	<b><u>\$ 32,971,617</u></b>

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

<b><u>Year</u></b>	
2021	\$ (1,106,376)
2022	(1,516,704)
2023	3,931,611
2024	867,534
2025	867,534
Thereafter	1,388,055
<b>Total</b>	<b><u>\$ 4,431,654</u></b>

**XII. Risk Management**

**A. General Information**

The BOCES is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**B. Health Plan**

The BOCES incurs costs related to the Rochester Area School Health Plan (Plan I and Plan II) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts.

( XII. ) (Continued)

1. **Plan I**

The Plans objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plans year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than thirty days prior to the end of the Plan year. Plan members bear an equal proportionate share of the Plan's assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement the Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors. This Plan's members include seventeen districts and two BOCES with the BOCES bearing an equal proportionate share of the Plan's assets and claim liabilities.

This Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

This Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2020, the BOCES incurred premiums or contribution expenditures totaling \$1,101,102.

This Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended December 31, 2019, revealed that the Plan was fully funded.

2. **Plan II**

The BOCES incurs costs related to the Rochester Area School Health Plan II sponsored by the Board of Cooperative Educational services, Second Supervisory District of Monroe and Orleans Counties (Monroe 2-Orleans BOCES). The Plan was established as a Municipal Cooperative Agreement under the authorization of Article 5-G of the General Municipal Law in 2004. The plan received a Certificate of Authority to operate as a self-funded plan under Article 47 of the New York State Insurance Law, effective January 1, 2018.

Membership in the Plan may be offered to any component school district of the Monroe 1 BOCES and Monroe 2-Orleans BOCES within the geographical boundaries of Monroe County, New York provided that the applicant provides proof of its financial responsibility that is satisfactory to the Board of Directors in its sole discretion, and the applicant is the same type of municipal corporation as the initial Participants. The Plan has full participation from all eligible participants including the two BOCES and seventeen component school districts.

**( XII. ) (Continued)**

A participant has the right to withdraw from the Plan, but such withdrawal shall be effective only on January 1 of the next Plan Year following the Plan Year in which the participant provides notice. Any withdrawing participant shall be responsible for its pro rata share of any Plan deficit, and shall satisfy any other obligation relating to the Participant's membership in the Plan. The withdrawing participant shall not be entitled to share in any Plan surplus.

The Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. The annual premium equivalent for each coverage option under the Plan is established and approved by a majority of the entire Board of Directors. Each participant is required to contribute to the Plan an amount equal to the Premium Equivalent applicable to the coverage options, under which the participants Enrollees are covered. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. Such claims estimates are based on the ultimate cost of claims that have been reported but not settled, and claims that have been incurred but not reported.

The Plan is audited on an annual basis and is available at the Monroe 2-Orleans BOCES administrative offices. The most recent audit available for the year ended December 31, 2018, revealed that the Plan was fully funded.

During the year ended June 30, 2020, the BOCES incurred premiums or contribution expenditures totaling \$13,541,020.

**C. Workers' Compensation**

The BOCES incurs costs related to the Rochester Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plan's objectives are to furnish workers' compensation

benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Director. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of seventeen districts and two BOCES. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid.

( XII. ) (Continued)

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported.

Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2020, the BOCES incurred premiums or contribution expenditures totaling \$501,872.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2019, revealed that the Plan was underfunded.

**D. Dental Coverage**

The BOCES self-insures for dental coverage for its employees. The BOCES uses a third party administrator who is responsible for processing claims and estimating liabilities. The BOCES does not carry excess insurance coverage relative to this Plan. The BOCES records expenditures as claims are presented for payment in accordance with the BC/BS schedule of allowances. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated.

A reconciliation of the claims recorded for 2020 and 2019 is as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Beginning liabilities	\$ 477,060	\$ 455,444
Incurred claims	812,175	796,048
Claims payments	(684,779)	(744,780)
Administrative fee payments	(44,443)	(29,652)
<b>Ending liabilities</b>	<b><u>\$ 560,013</u></b>	<b><u>\$ 477,060</u></b>

The following statistical information is presented:

<b><u>Year</u></b>	<b><u>Contribution Revenue</u></b>	<b><u>Actual Claim Expense</u></b>
2020	\$ 767,732	\$ 684,779
2019	\$ 766,396	\$ 744,780
2018	\$ 784,723	\$ 753,383
2017	\$ 733,051	\$ 712,141
2016	\$ 777,695	\$ 675,902
2015	\$ 728,800	\$ 657,673
2014	\$ 665,797	\$ 625,531
2013	\$ 596,346	\$ 601,237
2012	\$ 630,103	\$ 718,199
2011	\$ 620,660	\$ 648,720
2010	\$ 595,266	\$ 658,887

( XII. ) (Continued)

E. Unemployment

BOCES employees are entitled to coverage under the New York State Unemployment Insurance Law. The BOCES has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The BOCES has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2019-20 fiscal year totaled \$14,436. The balance of the fund at June 30, 2020 was \$419,257 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2020, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XIII. Commitments and Contingencies

A. Litigation

BOCES is a party to several cases involving former employees, students, and a consultant. The outcomes of these cases cannot reasonably be determined as of the date of this report.

B. Grants

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

XIV. Lease Commitments and Leased Assets

A. The BOCES leases various property and equipment under the terms of various non-cancelable leases. Rental expense for the various property and equipment was \$69,980.

Minimum annual rentals for each of the remaining years of the lease are as follows:

<b>Year Ending</b>	
<b><u>June 30,</u></b>	<b><u>Amount</u></b>
2021	\$ 116,926
2022	115,297
2023	13,475
2024	2,803
2025	607
<b>Total</b>	<b><u>\$ 249,108</u></b>

B. The BOCES leases space under the terms of various non-cancelable leases. Rental expense for this space was \$2,211,757.

**( XIV. ) ( Continued )**

Minimum annual rentals for each of the remaining years of the lease are as follows:

<b>Year Ending</b>	
<b><u>June 30,</u></b>	<b><u>Amount</u></b>
2021	\$ 1,315,496
2022	1,273,718
2023	1,048,192
2024	826,137
2025	830,136
2026-29	<u>1,247,280</u>
<b>Total</b>	<b><u>\$ 6,540,959</u></b>

**XV. Related Parties-Foundation**

The Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties has a relationship with the Monroe 2- Orleans Educational Foundation, Inc. whose purpose is to provide financial support for the educational programs of the Monroe 2- Orleans Board of Cooperative Educational Services including, but not limited to (1) non-budgetary funding acceptable to the BOCES and (2) educational and enrichment activities of the BOCES. The Board shall consist of not less than three or more than twenty one director's representative from the following: (1) Board of Education member from a component district, (2) Alumni of Monroe 2 – Orleans BOCES, (3) Individuals interested in supporting the objectives of the Foundation, (4) Individuals representative of the communities served by Monroe 2 – Orleans BOCES and (5) parents.

The Foundation does have an annual audit. The last audit completed was for the year ended June 30, 2019, and is on file at the administrative offices of the BOCES.

**XVI. Subsequent Event**

On August 13, 2020, the Division of the Budget (DOB) issued the FY 2021 First Quarterly State Budget Financial Plan Update which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June, which includes 3609-a General Aid, , 3609-b Excess Cost Aid, 3609-d BOCES Aid payments, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any.

DOB's Updated Financial Plan includes \$8.2 billion in recurring local aid reductions, and states that the earliest DOB expects to transmit a detailed aid-to-localities reduction plan to the Legislature is late in the second quarter of the State's FY 2021, and that, in the absence of unrestricted Federal Aid, the DOB will continue to withhold a range of payments through the second quarter of FY 2021.

**XVII. COVID-19**

On January 30,2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.



**( XVII. ) (Continued)**

The outbreak and continuing effects of the COVID-19 health crisis in the State has had and is expected to have a significantly adverse effect on the State's financial condition. On April 25, 2020 the New York State Division of the Budget announced that the FY 2021 Enacted State Budget Financial Plan (the "Financial Plan") projects a \$13.3 billion shortfall, or 14%, in revenue from the Executive Budget Forecast released in January and estimates a \$61 billion decline through FY 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by \$10.1 billion from the Executive Budget. This represents a \$7.3 billion reduction in state spending from FY 2020 levels. The \$10.1 billion in spending reductions from the levels proposed in the Executive Budget include a \$8.2 billion reduction in "aid-to-localities", a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and the State's not-for-profit partners. The dramatic decline in the State General Fund receipts is not a one-year problem. The Division of the Budget expects the reduced receipts to carry through each subsequent year of the four year Financial Plan, creating a total loss of \$60.5 billion through FY 2024 compared to the Executive Budget. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

**Required Supplementary Information**  
**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Schedule of Changes in BOCES' Total OPEB Liability and Related Ratio**  
**For Year Ended June 30, 2020**

<b>TOTAL OPEB LIABILITY</b>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 4,864,538	\$ 4,436,006	\$ 4,281,598	\$ 4,020,103
Interest	5,929,221	6,881,674	6,743,035	5,473,843
Changes in benefit terms	-	(138,678)	(241,040)	-
Differences between expected and actual experiences	(18,006,167)	(23,581,974)	2,727,419	21,019,166
Changes of assumptions or other inputs	31,283,837	(1,502,693)	4,647,256	(11,823,305)
Benefit payments	(4,789,860)	(5,132,895)	(4,901,316)	(4,408,606)
<b>Net Change in Total OPEB Liability</b>	<b>\$ 19,281,569</b>	<b>\$ (19,038,560)</b>	<b>\$ 13,256,952</b>	<b>\$ 14,281,201</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 172,286,409</b>	<b>\$ 191,324,969</b>	<b>\$ 178,068,017</b>	<b>\$ 163,786,816</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 191,567,978</b>	<b>\$ 172,286,409</b>	<b>\$ 191,324,969</b>	<b>\$ 178,068,017</b>
 Covered Employee Payroll	 \$ 42,172,137	 \$ 40,856,553	 \$ 31,415,006	 \$ 31,415,006
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 454.25%	 421.69%	 609.02%	 566.82%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

**Required Supplementary Information**  
**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Schedule of the BOCES' Proportionate Share of the Net Pension Liability**  
**For Year Ended June 30, 2020**

<b>NYSERS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.0506%	0.0517%	0.0526%	0.0483%	0.0519%	0.0519%
Proportionate share of the net pension liability (assets)	\$ 13,386,832	\$ 3,660,889	\$ 1,696,776	\$ 4,534,710	\$ 8,335,144	\$ 1,754,768
Covered-employee payroll	\$ 15,643,098	\$ 15,543,200	\$ 15,476,552	\$ 13,996,062	\$ 13,907,066	\$ 13,850,711
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	85.577%	23.553%	10.964%	32.400%	59.935%	12.669%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
<b>NYSTRS Pension Plan</b>						
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Proportion of the net pension liability (assets)	0.1323%	0.1323%	0.1334%	0.1372%	0.1327%	0.1248%
Proportionate share of the net pension liability (assets)	\$ (3,435,940)	\$ (2,392,527)	\$ (1,014,145)	\$ 1,469,668	\$ (13,779,918)	\$ (13,903,062)
Covered-employee payroll	\$ 21,640,395	\$ 22,075,169	\$ 21,900,858	\$ 21,503,618	\$ 21,174,208	\$ 19,928,448
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-15.877%	-10.838%	-4.631%	6.835%	-65.079%	-69.765%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

**Required Supplementary Information**  
**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Schedule of BOCES Contributions**  
**For Year Ended June 30, 2020**

<b>NYSERS Pension Plan</b>						
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contributions	\$ 2,142,818	\$ 2,181,133	\$ 2,243,659	\$ 2,098,702	\$ 2,472,280	\$ 2,684,230
Contributions in relation to the contractually required contribution	<u>(2,142,818)</u>	<u>(2,181,133)</u>	<u>(2,243,659)</u>	<u>(2,098,702)</u>	<u>(2,472,280)</u>	<u>(2,684,230)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 15,643,098	\$ 15,543,200	\$ 15,476,552	\$ 13,996,062	\$ 13,907,066	\$ 13,850,711
Contributions as a percentage of covered-employee payroll	13.70%	14.03%	14.50%	14.99%	17.78%	19.38%

<b>NYSTRS Pension Plan</b>						
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contributions	\$ 2,197,194	\$ 2,641,736	\$ 2,184,058	\$ 2,807,700	\$ 3,493,457	\$ 2,995,913
Contributions in relation to the contractually required contribution	<u>(2,197,194)</u>	<u>(2,641,736)</u>	<u>(2,184,058)</u>	<u>(2,807,700)</u>	<u>(3,493,457)</u>	<u>(2,995,913)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 21,640,395	\$ 22,075,169	\$ 21,900,858	\$ 21,503,618	\$ 21,174,208	\$ 19,928,448
Contributions as a percentage of covered-employee payroll	10.15%	11.97%	9.97%	13.06%	16.50%	15.03%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

**Required Supplementary Information**  
**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund**  
**For Year Ended June 30, 2020**

<u>REVENUES</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Current Year's Revenues</u>	<u>Variance Favorable (Unfavorable)</u>
Administration 001-002	\$ 10,452,963	\$ 9,722,402	\$ 9,837,046	\$ 114,644
Career and Tech Education 100-199	7,910,708	8,120,046	8,038,874	(81,172)
Instruction for Handicapped 200-299	34,256,527	37,179,735	35,258,234	(1,921,501)
Itinerant 300-399	11,242,635	9,803,453	8,993,779	(809,674)
General Instruction 400-499	3,490,322	3,609,706	3,302,214	(307,492)
Instructional Support 500-599	16,758,378	22,096,845	20,569,089	(1,527,756)
Other Services 600-699	<u>11,550,083</u>	<u>13,433,803</u>	<u>13,168,205</u>	<u>(265,598)</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 95,661,616</u></b>	<b><u>\$ 103,965,990</u></b>	<b><u>\$ 99,167,441</u></b>	<b><u>\$ (4,798,549)</u></b>

**Required Supplementary Information**  
**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund**  
**For Year Ended June 30, 2020**

<u>EXPENDITURES</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Administration 001-002	\$ 10,452,963	\$ 9,726,032	\$ 8,412,375	\$ 1,120	\$ 1,312,537
Career and Tech Education 100-199	7,910,708	8,120,041	7,768,630	206,259	145,152
Instruction for Handicapped 200-299	34,256,527	37,179,735	34,505,936	81,218	2,592,581
Itinerant 300-399	11,242,635	9,803,455	7,677,138	5,526	2,120,791
General Instruction 400-499	3,490,322	3,609,708	3,670,844	45,779	(106,915)
Instructional Support 500-599	16,758,378	22,096,847	17,791,123	2,763,180	1,542,544
Other Services 600-699	<u>11,550,083</u>	<u>13,430,172</u>	<u>12,521,562</u>	<u>167,007</u>	<u>741,603</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 95,661,616</u>	<u>\$ 103,965,990</u>	<u>\$ 92,347,608</u>	<u>\$ 3,270,089</u>	<u>\$ 8,348,293</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,819,833</u>		

**Note to Required Supplementary Information:**

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
 SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES  
 Analysis of Account A431 - School Districts  
 For Year Ended June 30, 2020**

	<b>2020</b>
<b>July 1, 2019 - DEBIT (CREDIT) BALANCE</b>	<b>\$ 2,711,053</b>
 <b>DEBITS:</b>	
Billings to school districts	\$ 97,226,745
Refund of balances made to school districts	6,637,398
Adjustments - Credits to School Districts	6,636
Encumbrances - June 30, 2020	3,270,089
<b>Total Debits</b>	<b>\$ 107,140,868</b>
<b>TOTAL</b>	<b>\$ 109,851,921</b>
 <b>CREDITS:</b>	
Collections from school districts	\$ 100,874,450
Adjustment - credits to school districts - revenues in excess of expenditures	6,819,833
Encumbrances - June 30, 2019	1,692,893
<b>Total Credits</b>	<b>\$ 109,387,176</b>
<b>June 30, 2020 - DEBIT (CREDIT) BALANCE</b>	<b>\$ 464,745</b>

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES**  
**SCHEDULE OF CAPITAL PROJECTS FUND**  
**PROJECT EXPENDITURES AND FINANCING RESOURCES**  
**For Year Ended June 30, 2020**

<b>Project Title</b>	<b>Expenditures</b>		<b>Methods of Financing</b>					<b>Fund Balance</b>				
	<b>Original Appropriation</b>	<b>Revised Appropriation</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>	<b>Unexpended Balance</b>	<b>Local Sources</b>		<b>District Billings</b>	<b>State Sources</b>	<b>Transfers</b>	<b>Total</b>
CTE-North Renovation-2015-16	\$ 12,984,000	\$ 16,959,121	\$ 16,682,650	\$ 50,847	\$ 16,733,497	\$ 225,624	\$ -	\$ 16,959,122	\$ 169,757	\$ (225,625)	\$ 16,903,254	\$ 169,757
CTE-North Renovation-2019-20	3,047,057	3,047,057	-	156,153	156,153	2,890,904	400,000	-	-	2,477,300	2,877,300	2,721,147
Unassigned	-	-	-	-	-	-	1,858,940	-	-	(1,783,208)	75,732	75,732
<b>TOTAL</b>	<b>\$ 16,031,057</b>	<b>\$ 20,006,178</b>	<b>\$ 16,682,650</b>	<b>\$ 207,000</b>	<b>\$ 16,889,650</b>	<b>\$ 3,116,528</b>	<b>\$ 2,258,940</b>	<b>\$ 16,959,122</b>	<b>\$ 169,757</b>	<b>\$ 468,467</b>	<b>\$ 19,856,286</b>	<b>\$ 2,966,636</b>

(See Independent Auditors' Report)



**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF MONROE AND ORLEANS COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Year Ended June 30, 2020**

<u>Grantor / Pass - Through Agency</u>	<u>CFDA</u>	<u>Grantor</u>	<u>Pass-Through Agency</u>	<u>Total</u>
<u>Federal Award Cluster / Program</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Education:</u></b>				
<b><u>Direct Programs:</u></b>				
<b><u>Student Financial Assistance Program Cluster -</u></b>				
Federal Pell Grant Program	84.063	N/A	N/A	\$ 188,496
Federal Direct Student Loans	84.268	N/A	N/A	262,866
<b><i>Total Student Financial Assistance Program Cluster</i></b>				<b>\$ 451,362</b>
COVID-19 Education Stabilization funds	84.425E	P425E204497	N/A	46,043
COVID-19 Education Stabilization funds	84.425F	P425E204497	N/A	46,042
<b>Total Direct Programs</b>				<b>\$ 543,447</b>
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department -</u></b>				
VATEA II - Perkins Grant	84.048	N/A	8000-20-0044	\$ 160,930
WIOA, Title II, ESOL Civics	84.002	N/A	0040-20-3018	95,833
<b>Total Indirect Programs</b>				<b>\$ 256,763</b>
<b>Total U.S. Department of Education</b>				<b>\$ 800,210</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 800,210</b>

**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***

**Independent Auditors' Report**

To the Board Members  
Board of Cooperative Educational Services  
Second Supervisory District of Monroe and Orleans Counties, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans, Counties, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans, Counties, New York's basic financial statements, and have issued our report thereon dated October 10, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans, Counties, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans, Counties, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans, Counties, New York's internal control.

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 10, 2020

***BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
SECOND SUPERVISORY DISTRICT OF  
MONROE AND ORLEANS COUNTIES***

***NEW YORK***

***COMMUNICATING INTERNAL CONTROL  
RELATED MATTERS IDENTIFIED IN AN AUDIT***

***For Year Ended June 30, 2020***

**MENGEL METZGER BARR & CO. LLP**

RAYMOND F. WAGER, CPA, P.C. DIVISION

MENGEL METZGER BARR & CO. LLP  
RAYMOND F. WAGER, CPA, P.C. DIVISION

October 10, 2020

To the Board Members  
Board of Cooperative Educational Services  
Second Supervisory District of  
Monroe and Orleans Counties, New York

In planning and performing our audit of the financial statements of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BOCES internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

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

**Prior Year Deficiency Pending Corrective Action:**

**Special Aid Fund –**

The year end fund balance is a deficit of (\$3,237,949). This is primarily due to deficits incurred by the EPE program, however, several other Adult education and training programs also reported deficits. Additionally, the cash balance in the Special Aid Fund at June 30, 2020 totaled \$1,692,620 and the net amount due to the General Fund totaled \$6,276,904. The amount due to the General Fund continues to exceed available cash by a substantial amount.

We recommend the fiscal stability of these programs continue to be reviewed.

**Other Items:**

The following items are not considered to be deficiencies in internal control; however, we consider them other items which we would like to communicate to you as follows:

**Cyber Risk Management –**

The BOCES’ IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the BOCES continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

**Federal Programs –**

As a result of recent federal program changes, the BOCES documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirement.

**GASB Statement No. 84 –**

During this next fiscal year the BOCES will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds.

This will require a review of the various accounts currently reported in the Agency Funds along with the extraclassroom activity policy and procedures in order to determine where to report the BOCES’ extraclassroom activity funds, scholarships, and other Agency activity.

**Prior Year Recommendation:**

The prior year recommendation has been noted above.

This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

\* \* \*

We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

Rochester, New York  
October 10, 2020

*Mengel, Metzger, Barw & Co. LLP*

8. Board Presentation: 2019-20 Audit (Ray Wager, CPA)
  2. Resolution to Accept Corrective Action Plan for the Year Ended June 30, 2020



**Finance  
Office**

**Steve Roland**  
Director of Finance  
Tel: (585) 352-2412  
Fax: (585) 352-2756

Email:  
sroland@monroe2boces.org

October 21, 2020

Mr. Ray Wager  
Raymond F. Wager, CPA, P.C., a division of  
Mengel Metzger Barr & Co., LLP  
100 Chestnut Street, Suite 1200  
Rochester, NY 14604

Ray,

This letter is in response to your Management Letter for the audit of the Monroe 2-Orleans BOCES' financial records for the year-ending June 30, 2020:

**Special Aid Fund**

We will continue to monitor this situation closely and make revisions to our action plan as necessary. The Special Aid Fund will pay down the amount due to the General Fund as funds become available.

Please let me know if you have questions or concerns.

Sincerely,

Steve Roland  
Director of Finance

Xc: Board  
Office of Audit Services (SED)  
Jo Anne Antonacci  
Mary Beth Luther



## 9. Recognition of School Board Members

10. New Business

1. Regional Summer School Update (Tim Dobbertin)

10. New Business

2. Resolution to Approve 2020 Regional Summer School Leases for Greece CDS and Brockport CSD

2020 REGIONAL SUMMER SCHOOL  
CLASSROOM LEASE

THIS AGREEMENT OF LEASE made this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the BROCKPORT CENTRAL SCHOOL DISTRICT, a municipal corporation with offices at 40 Allen Street, Brockport, NY 14420, hereinafter referred to as the “Landlord,” and the BOARD OF COOPERATIVE EDUCATIONAL SERVICES, MONROE-ORLEANS COUNTIES, hereinafter referred to as “Tenant”;

WITNESSETH:

The Landlord owns certain buildings located in said District and the Tenant is desirous of leasing a portion of those facilities for use by the Tenant for the purpose of BOCES business and academic purposes, and whereas such a lease has been approved by the Landlord’s Board of Education;

NOW, THEREFORE, in consideration of the rents, covenants, and agreements hereinafter set forth, the Landlord does lease to the Tenant, and the Tenant does lease from the Landlord space with the appurtenances and privileges herein described upon the following terms and conditions:

1. ASSIGNMENT

The parties of this Agreement shall not transfer, assign, subcontract or otherwise dispose of this Agreement or the rights and responsibilities therein without the prior written consent of the other party or any interest herein may not be assigned by either party.

The Tenant shall not underlet the premises without the Landlord’s consent unless the underletting is related to the overall Tenant’s purpose as specified in this lease or if such underletting is in connection with a partnership with another public entity with similar purpose of the Tenants.

## 2. BREACH OF ONE PROVISION

In the event any term or condition of this Lease should be breached by any party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach either prior or subsequent to the breach so waived.

## 3. CHANGES, ALTERATIONS

The Tenant shall take good care of the space at its own cost and expense, make any and all interior cosmetic repairs to the space resulting from its occupancy and/or use, normal wear and tear excepted. The Landlord agrees to give ten (10) days' notice to Tenant with regard to any contemplated structural changes or modifications of the space. The Tenant agrees to provide for repair of broken glass windows in Tenant's portion of the space, provided such breakage is caused by Tenant's own gross negligence.

Any space and or alterations/changes which are contemplated by the Tenant, except those which enhance the program or benefit the Landlord, must first be approved by the Landlord. The Landlord is responsible for making all structural, HVAC, exterior, plumbing, and the like changes and/or repairs. During construction, renovation or the performance of maintenance functions, the Landlord will provide security for all Tenant's materials, supplies, and equipment.

## 4. COMPLIANCE WITH LAWS

The Landlord covenants that the leased premises are in compliance with all federal and state regulations and requirements relating to buildings and school buildings including but not limited to occupational safety and health and environment protection, the New York School Asbestos Safety Act, and the Federal Asbestos Hazard Emergency Response Act. The Landlord agrees to maintain the leased premises during the lease term in compliance with all such statutes and regulations at its sole cost and expense. The Landlord shall furnish to the Tenant any and all reports filed with or

received from federal and state governmental agencies, when filed or received, with respect to such matters described in this paragraph.

5. CONFIDENTIALITY

The Landlord and Tenant shall observe and apply the appropriate standard of confidentiality to records and information or be subject to liability including breach of confidentiality penalties. No records shall be disclosed, re-disclosed, or used for personal gain/benefit. All student and/or staff records, or information gathered in the course of this lease, will be maintained as confidential by Landlord's employees and/or subcontractors in accordance with FERPA & HIPAA.

The Landlord will instruct its staff as to the confidentiality of records and information and the penalties for breach thereof.

6. CONFLICT OF INTEREST

The Landlord represents and warrants that neither it nor any of its directors, officers, members, partners, employees or subcontractors, has any interest nor shall they acquire any interest, directly or indirectly with the Tenant, which would or may conflict in any manner or degree with the performance of the services hereunder. The Landlord further represents and warrants that in the performance of this Lease no person having such interest or possible interest shall be employed by Tenant.

7. CONSTRUCTION/AMENDMENTS

All previous oral and/or written understandings and agreements made by and between the parties are merged in this Agreement, which alone fully and completely expresses their agreement. This Lease may not be changed, nor any of its provisions modified or waived, except in writing, signed by all parties to this Lease.

8. CONTACT PERSON

The Landlord and Tenant each shall assign one contact person to correspond with.

9. COPIES OF THE LEASE

Several copies of this Lease may be executed by the parties, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

10. DANGEROUS CONDITION

Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. A dangerous or defective condition includes damage or injury resulting from snow and ice buildup, and/or melting on sidewalks, and parking lots utilized by Tenant. If the space cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the premises are unusable on the unusable portion of the space. Landlord is responsible to incur costs not covered by Tenant's insurance to repair any damaged portion of the building interior or exterior unless such damage is the result of the Tenant's own gross negligence.

11. DEDUCTION OF RENT

The Tenant will be entitled to deduct from said rent, amounts of expenses Tenant incurred to make repairs that were the responsibility of the Landlord and the Landlord failed to rectify within five (5) calendar days of Tenant giving written notice to Landlord.

12. DEFAULT

If after default in payment of rent or violation of any other provisions of this lease, the Tenant moves out or is dispossessed and fails to remove any trade fixtures or other personal property prior to such default, removal, expiration of lease, or prior to the issuance of the final order of execution of the warrant, then and in that event, the said fixtures and property shall be deemed abandoned by the said Tenant and shall become the property of the Landlord except for any fiber optic type cables that have been installed by Tenant. However, the Tenant reserves the right to remove any fixtures and/or materials at the termination of the lease or any extensions thereof.

### 13. LANDLORD OBLIGATIONS

The Landlord further agrees to provide the following:

- (a) Provide Tenant with outside keys and interior keys as applicable. In the event of loss of keys, the Tenant agrees to inform the District immediately. The Tenant also agrees to pay the cost of replacement of individual keys. If in the judgment of the District and competent police authority the building ought to be re-keyed due to the Tenant's negligence or inadvertence, the Tenant agrees to pay the cost of re-keying for the affected areas of the facility. (The cost of re-keying is not to exceed \$500.00.).
- (b) Snow and ice removal of the parking lots and all exterior areas of the building not limited to roof and sidewalks.
- (c) Trash removal and small or bulk items removed associated with the premises.
- (d) Provide all non-structural common area maintenance costs.
- (e) Maintain fire alarm system and cost associated with such.
- (f) Pay for all heat, water, sewer, electric and all other utilities except telephone.
- (g) Provide adequate parking facilities for Tenant personnel, students and parents near leased space.
- (h) Custodial and janitorial services; landscaping.
- (i) Maintain present fire extinguishers and smoke detectors.
- (j) Comply with and provide legally required safety drills and fire drills.
- (k) Allow Tenant to peaceably and quietly enjoy the premises.
- (l) Landlord will pay all county, state, local property and other taxes associated with the real and personal property.
- (m) Provide at no charge Internet access and/or Wi-Fi access.
- (n) Maintain maintenance and mowing of grounds and flower beds.
- (o) Potable and drinkable water at the appropriate lead levels.

### 14. ENTER SPACE

The Tenant agrees that the Landlord, the Landlord's agents and other representatives shall have the right to enter into and upon said space, or any part thereof, with a Tenant representative present, for the purpose of examining and using the same, performing maintenance and custodial



functions or making such repairs or alterations thereon that may be necessary for the safety and preservation thereof.

15. ENTIRE LEASE

This represents the entire lease between the parties. Any previous lease between the parties, oral or in writing, is superseded by this Lease.

16. EXCLUSIVITY

Landlord hereby acknowledges that Tenant is under no obligation to utilize Landlord's space under this lease on an exclusive basis.

17. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the Laws of the State of New York. The County of Monroe in the State of New York is hereby designated as the place of trial for any action or proceeding arising from or connected with this agreement. The Federal District Court for the Western District of New York is designated as the place of trial for any action or proceeding arising from this Lease.

Landlord covenants that its services and all aspects of its business and execution of this Lease are in compliance with any and all federal, state, and local laws and professional ethics standards.

18. HEADINGS

The paragraph headings contained in this Lease have been prepared for convenience of reference only and shall not control, affect the meaning, or be taken as an interpretation of any provision of this Lease.

19. HEALTH AND SAFETY

The Landlord will establish and maintain appropriate standards of health and safety to ensure that students, staff, invitees, attendees, parents, and the community are adequately protected against hazards or activities that may affect their health or safety.

## 20. INDEMNIFICATION

Tenant agrees to indemnify and hold harmless Landlord, its directors, officers, agents, servants and employees from and against any and all claims, actions or liabilities, damages, costs, judgments, loss, awards, penalties, attorneys' fees, court costs, expenses and disbursements of any nature whether civil or criminal, for any breach of this Lease, and all willful or negligent acts or omissions by Tenant's employees, students, and/or agents in connection with this Lease.

The Landlord agrees to indemnify and hold harmless Tenant, its directors, officers, agents, servants and employees from and against any and all claims, actions or liabilities, damages, costs, awards, judgments, penalties, expenses, disbursements, attorneys' fees and court costs, of any nature whether civil or criminal, for any breach of this Lease and any and all willful or negligent acts or omissions by Landlord's employees, agents and/or subcontractors in connection with this Lease including an inappropriate disclosure of confidential student data in violation of FERPA.

## 21. INDEPENDENT CONTRACTOR

The relationship of the Landlord to Tenant shall be that of independent contractor, and not an employee or part of tenant. No employee and/or subcontractor of Landlord will hold himself or herself out as an employee of Tenant. Because of the independent contractor status, Tenant will not be responsible for the withholding of taxes, nor for the payment of FICA taxes, not for any insurance coverage, or other similar benefits, required by law to be provided to employees.

All personnel referred to Tenant pursuant to this Lease shall be considered Landlord's employees only. Landlord will assume sole and exclusive responsibility for payment of wages to its personnel for services to Tenant; for withholding appropriate income taxes, paying federal social security taxes and unemployment insurance, and maintaining worker's compensation coverage; and for otherwise discharging its obligation as an employer.

The Landlord will not at any time hold themselves to be an employee of Tenant, instead they are acting as a representative of Tenant at the Tenant's request as an independent contractor.

## 22. INSURANCE

The Landlord shall be responsible for securing and providing personal, general, and property liability coverage (with a limit of not less than \$1 million per occurrence and \$2 million aggregate and provide a copy of general liability insurance to Tenant, upon request); and all compensation and benefits to its employees and/or subcontractors engaged under this Lease.

The Tenant shall be responsible for securing and providing personal, general, and property liability coverage (with a limit of not less than \$1 million per occurrence and \$3 million aggregate and provide a copy of general liability insurance to Landlord, upon request; and all compensation and benefits to its employees engaged under this Lease.

The Landlord must show proof, upon request, using documentation applicable to their type of organization, that they have Worker's Compensation insurance coverage for all their employees.

## 23. INTEREST

The Landlord has no vested interest in the Tenant in that they do not have an investment in the facility nor do they realize any profit or loss from the operation of the Tenant's business.

On site work by Landlord will not destroy the independent contractor relationship between Landlord and Tenant.

Landlord's written status report or attendance at Tenant meetings will not destroy the independent contractor relationship between the Landlord and Tenant.

## 24. LOGO

Each party will use the other's name and/or logo in any descriptive or promotional materials of any kind without the other party's written approval.

## 25. NON-DISCRIMINATION

BOCES does not discriminate on the basis of age, sex, race, color, national origin, disability, creed, marital status, veteran status, sexual orientation, prior criminal offense, domestic violence victim status, or genetic status in its programs or activities and provides equal access to the Boy Scouts of America and other designated youth groups. The following person has been designated to handle complaints/inquiries regarding the BOCES' non-discrimination policies: Director of Human Resources, 3599 Big Ridge Road, Spencerport, New York 14559, 585-352-2420, and is also the Title VII and Title IX Officer. For further information on notice of non-discrimination, visit <http://wdcrobcolp01.ed.gov/CFAPPS/OCR/contactus.cfm> for the address and phone number of the office that serves your area, or call 1-800-421-3481. Please note that those wishing to file a complaint may also do so through the Department of Education's Office for Civil Rights at <https://www2.ed.gov/about/offices/list/ocr/complaintprocess.html>. See also New York State Executive Law 296.

Monroe 2-Orleans BOCES complies with the Americans with Disabilities Act (ADA) which provides access to all its services, programs, activities, and employment for those individuals with a disability. Monroe 2-Orleans BOCES will provide reasonable accommodations and/or appropriate modifications, aides and services as required by law to provide access to individuals with disabilities to its programs, services, employment, and activities. Any individual requesting an accommodation must notify the ADA Compliance Officer at least 72 hours prior to the event or program or activity. BOCES' non-discrimination policy 1440 and 6460 related to students can be found on the Community Tab. Disability Discrimination Complaint procedure is found in Regulation 2000 and 6461 located on the Monroe 2-Orleans BOCES website under the Community Tab. The designated ADA Compliance Officer is the Director of Human Resources, 3599 Big Ridge Road, Spencerport NY 14559, 349-2420.

26. NOTICE/SERVICE OF PROCESS

Any notice required or permitted by this Lease shall be made by personal delivery (effective when delivered) or by certified mail, return receipt requested (effective two (2) business days after proper posting) to the addresses first set forth above. Notices and Service of Process sent to the Landlord shall be to the attention of \_\_\_\_\_ (name and title). Notices and Service of Process sent to Tenant shall be to the attention of its District Clerk.

27. PART Z CHEMICALS

Landlord will comply with Federal Law with regard to Part Z chemicals and maintain Safety Data Sheets (SDS) on file for any Tenant staff, student, volunteer, parent, invitees, or attendees exposed to Part Z chemicals.

28. PEACEFUL USE

The Tenant's use of facilities shall be limited to those areas as specified above. The Landlord further covenants that the said Tenant on paying the said yearly rent, and performing the covenants aforesaid shall and may peacefully and quietly have, hold and enjoy the said premises for the term aforesaid, provided however, that this covenant shall not be conditioned upon the retention of title to the premises by the Landlord.

29. RENTAL

The Tenant shall pay as and for rent of said premises based on a formula using Brockport's total 2019-20 O&M costs. The rent is payable in one installment by November 1, 2020 upon invoice from Landlord and payable to the Landlord's School District Treasurer.

30. INVALID/SEVERABILITY

In the event any provisions of this Lease shall be held invalid, illegal or null and void and unenforceable, the remaining provisions will survive and remain in effect as in the original agreement and shall be valid and binding upon the parties.

31. SPACE

The annual 12-month rental rate shall be five dollars and seven cents (\$5.07) per square foot prorated to 30 days. The total amount of the rent for the 30-day period shall be ten thousand three hundred and ninety-three dollars and twenty-seven cents (\$10,393.27) for total square footage of 24,960 feet.

SUBCONTRACTING

Landlord may not engage subcontractors to perform the services under this Lease unless Tenant approves a written request for a subcontractor.

32. TERM

The term of the lease is from July 5, 2020 – August 19, 2020.

33. TERMINATION

It is agreed that the Tenant may terminate this lease with a thirty (30) calendar day written notice in the event that enrollment increases or declines, non-funding by component districts or similar occurrences cause continuation of the program to be impractical, or requests for services change resulting in an increase or decrease of enrollment.

This agreement may be terminated at any time with or without cause upon thirty (30) calendar day's written notice by either party to the other party without incurring any future penalty on account of such termination.

34. USAGE

The Tenant is free to use the space 24 hours per day during the lease term.

35. USAGE CHANGES

It is further understood if requests for services change, either an increase or decrease, then the number of rooms leased/rented may be altered provided ten (10) work days written notification is provided to the Landlord. The rent will be changed to reflect the increase or decrease or square footage. In the event of a need for an increase in square footage it is understood that such increase is subject to the availability of space and with the mutual agreement of both parties concerning this additional space.

AND, IT IS MUTUALLY UNDERSTOOD AND AGREED, that the covenants and agreements contained in the within lease shall be binding upon the parties hereto and upon their respective successors, heirs, executors, and administrators. In addition, it is agreed that this lease is contingent upon the facilities being in compliance with the regulations and requirements specified in the Asbestos Hazard Emergency Response Act and New York State Asbestos Safety Act.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed by their duly authorized officers and their respective seals to be hereunto affixed the day and year first above written.

MONROE 2-ORLEANS BOCES (Tenant)

BY \_\_\_\_\_  
JO ANNE L. ANTONACCI  
DISTRICT SUPERINTENDENT

\_\_\_\_\_ DATE

BROCKPORT CENTRAL SCHOOL DISTRICT (Landlord)

BY \_\_\_\_\_  
SEAN BRUNO  
SUPERINTENDENT OF SCHOOLS

\_\_\_\_\_ DATE

2020 REGIONAL SUMMER SCHOOL  
CLASSROOM LEASE

THIS AGREEMENT OF LEASE made this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the GREECE CENTRAL SCHOOL DISTRICT, a municipal corporation with offices at 750 Maiden Lane, Rochester, NY 14615, hereinafter referred to as the “Landlord,” and the BOARD OF COOPERATIVE EDUCATIONAL SERVICES, MONROE-ORLEANS COUNTIES, hereinafter referred to as “Tenant”;

WITNESSETH:

The Landlord owns certain buildings located in said District and the Tenant is desirous of leasing a portion of those facilities for use by the Tenant for the purpose of BOCES business and academic purposes, and whereas such a lease has been approved by the Landlord’s Board of Education;

NOW, THEREFORE, in consideration of the rents, covenants, and agreements hereinafter set forth, the Landlord does lease to the Tenant, and the Tenant does lease from the Landlord space with the appurtenances and privileges herein described upon the following terms and conditions:

1. ASSIGNMENT

The parties of this Agreement shall not transfer, assign, subcontract or otherwise dispose of this Agreement or the rights and responsibilities therein without the prior written consent of the other party or any interest herein may not be assigned by either party.

The Tenant shall not underlet the premises without the Landlord’s consent unless the underletting is related to the overall Tenant’s purpose as specified in this lease or if such underletting is in connection with a partnership with another public entity with similar purpose of the Tenants.



## 2. BREACH OF ONE PROVISION

In the event any term or condition of this Lease should be breached by any party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach either prior or subsequent to the breach so waived.

## 3. CHANGES, ALTERATIONS

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Any space and or alterations/changes which are contemplated by the Tenant, except those which enhance the program or benefit the Landlord, must first be approved by the Landlord. The Landlord is responsible for making all structural, HVAC, exterior, plumbing, and the like changes and/or repairs. During construction, renovation or the performance of maintenance functions, the Landlord will provide security for all Tenant's materials, supplies, and equipment.

## 4. COMPLIANCE WITH LAWS

The Landlord covenants that the leased premises are in compliance with all federal and state regulations and requirements relating to buildings and school buildings including but not limited to occupational safety and health and environment protection, the New York School Asbestos Safety Act, and the Federal Asbestos Hazard Emergency Response Act. The Landlord agrees to maintain the leased premises during the lease term in compliance with all such statutes and regulations at its sole cost and expense. The Landlord shall furnish to the Tenant any and all reports filed with or

received from federal and state governmental agencies, when filed or received, with respect to such matters described in this paragraph.

5. CONFIDENTIALITY

The Landlord and Tenant shall observe and apply the appropriate standard of confidentiality to records and information or be subject to liability including breach of confidentiality penalties. No records shall be disclosed, re-disclosed, or used for personal gain/benefit. All student and/or staff records, or information gathered in the course of this lease, will be maintained as confidential by Landlord's employees and/or subcontractors in accordance with FERPA & HIPAA.

The Landlord will instruct its staff as to the confidentiality of records and information and the penalties for breach thereof.

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The Landlord represents and warrants that neither it nor any of its directors, officers, members, partners, employees or subcontractors, has any interest nor shall they acquire any interest, directly or indirectly with the Tenant, which would or may conflict in any manner or degree with the performance of the services hereunder. The Landlord further represents and warrants that in the performance of this Lease no person having such interest or possible interest shall be employed by Tenant.

7. CONSTRUCTION/AMENDMENTS

All previous oral and/or written understandings and agreements made by and between the parties are merged in this Agreement, which alone fully and completely expresses their agreement. This Lease may not be changed, nor any of its provisions modified or waived, except in writing, signed by all parties to this Lease.

8. CONTACT PERSON

The Landlord and Tenant each shall assign one contact person to correspond with.

9. COPIES OF THE LEASE

Several copies of this Lease may be executed by the parties, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

10. DANGEROUS CONDITION

Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. A dangerous or defective condition includes damage or injury resulting from snow and ice buildup, and/or melting on sidewalks, and parking lots utilized by Tenant. If the space cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the premises are unusable on the unusable portion of the space. Landlord is responsible to incur costs not covered by Tenant's insurance to repair any damaged portion of the building interior or exterior unless such damage is the result of the Tenant's own gross negligence.

11. DEDUCTION OF RENT

The Tenant will be entitled to deduct from said rent, amounts of expenses Tenant incurred to make repairs that were the responsibility of the Landlord and the Landlord failed to rectify within five (5) calendar days of Tenant giving written notice to Landlord.

12. DEFAULT

If after default in payment of rent or violation of any other provisions of this lease, the Tenant moves out or is dispossessed and fails to remove any trade fixtures or other personal property prior to such default, removal, expiration of lease, or prior to the issuance of the final order of execution of the warrant, then and in that event, the said fixtures and property shall be deemed abandoned by the said Tenant and shall become the property of the Landlord except for any fiber optic type cables that have been installed by Tenant. However, the Tenant reserves the right to remove any fixtures and/or materials at the termination of the lease or any extensions thereof.

### 13. LANDLORD OBLIGATIONS

The Landlord further agrees to provide the following:

- (a) Provide Tenant with outside keys and interior keys as applicable. In the event of loss of keys, the Tenant agrees to inform the District immediately. The Tenant also agrees to pay the cost of replacement of individual keys. If in the judgment of the District and competent police authority the building ought to be re-keyed due to the Tenant's negligence or inadvertence, the Tenant agrees to pay the cost of re-keying for the affected areas of the facility. (The cost of re-keying is not to exceed \$500.00.).
- (b) Snow and ice removal of the parking lots and all exterior areas of the building not limited to roof and sidewalks.
- (c) Trash removal and small or bulk items removed associated with the premises.
- (d) Provide all non-structural common area maintenance costs.
- (e) Maintain fire alarm system and cost associated with such.
- (f) Pay for all heat, water, sewer, electric and all other utilities except telephone.
- (g) Provide adequate parking facilities for Tenant personnel, students and parents near leased space.
- (h) Custodial and janitorial services; landscaping.
- (i) Maintain present fire extinguishers and smoke detectors.
- (j) Comply with and provide legally required safety drills and fire drills.
- (k) Allow Tenant to peaceably and quietly enjoy the premises.
- (l) Landlord will pay all county, state, local property and other taxes associated with the real and personal property.
- (m) Provide at no charge Internet access and/or Wi-Fi access.
- (n) Maintain maintenance and mowing of grounds and flower beds.
- (o) Potable and drinkable water at the appropriate lead levels.

### 14. ENTER SPACE

The Tenant agrees that the Landlord, the Landlord's agents and other representatives shall have the right to enter into and upon said space, or any part thereof, with a Tenant representative present, for the purpose of examining and using the same, performing maintenance and custodial

functions or making such repairs or alterations thereon that may be necessary for the safety and preservation thereof.

15. ENTIRE LEASE

This represents the entire lease between the parties. Any previous lease between the parties, oral or in writing, is superseded by this Lease.

16. EXCLUSIVITY

Landlord hereby acknowledges that Tenant is under no obligation to utilize Landlord's space under this lease on an exclusive basis.

17. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the Laws of the State of New York. The County of Monroe in the State of New York is hereby designated as the place of trial for any action or proceeding arising from or connected with this agreement. The Federal District Court for the Western District of New York is designated as the place of trial for any action or proceeding arising from this Lease.

Landlord covenants that its services and all aspects of its business and execution of this Lease are in compliance with any and all federal, state, and local laws and professional ethics standards.

18. HEADINGS

The paragraph headings contained in this Lease have been prepared for convenience of reference only and shall not control, affect the meaning, or be taken as an interpretation of any provision of this Lease.

19. HEALTH AND SAFETY

The Landlord will establish and maintain appropriate standards of health and safety to ensure that students, staff, invitees, attendees, parents, and the community are adequately protected against hazards or activities that may affect their health or safety.

## 20. INDEMNIFICATION

Tenant agrees to indemnify and hold harmless Landlord, its directors, officers, agents, servants and employees from and against any and all claims, actions or liabilities, damages, costs, judgments, loss, awards, penalties, attorneys' fees, court costs, expenses and disbursements of any nature whether civil or criminal, for any breach of this Lease, and all willful or negligent acts or omissions by Tenant's employees, students, and/or agents in connection with this Lease.

The Landlord agrees to indemnify and hold harmless Tenant, its directors, officers, agents, servants and employees from and against any and all claims, actions or liabilities, damages, costs, awards, judgments, penalties, expenses, disbursements, attorneys' fees and court costs, of any nature whether civil or criminal, for any breach of this Lease and any and all willful or negligent acts or omissions by Landlord's employees, agents and/or subcontractors in connection with this Lease including an inappropriate disclosure of confidential student data in violation of FERPA.

## 21. INDEPENDENT CONTRACTOR

The relationship of the Landlord to Tenant shall be that of independent contractor, and not an employee or part of tenant. No employee and/or subcontractor of Landlord will hold himself or herself out as an employee of Tenant. Because of the independent contractor status, Tenant will not be responsible for the withholding of taxes, nor for the payment of FICA taxes, not for any insurance coverage, or other similar benefits, required by law to be provided to employees.

All personnel referred to Tenant pursuant to this Lease shall be considered Landlord's employees only. Landlord will assume sole and exclusive responsibility for payment of wages to its personnel for services to Tenant; for withholding appropriate income taxes, paying federal social security taxes and unemployment insurance, and maintaining worker's compensation coverage; and for otherwise discharging its obligation as an employer.

The Landlord will not at any time hold themselves to be an employee of Tenant, instead they are acting as a representative of Tenant at the Tenant's request as an independent contractor.

## 22. INSURANCE

The Landlord shall be responsible for securing and providing personal, general, and property liability coverage (with a limit of not less than \$1 million per occurrence and \$2 million aggregate and provide a copy of general liability insurance to Tenant, upon request); and all compensation and benefits to its employees and/or subcontractors engaged under this Lease.

The Tenant shall be responsible for securing and providing personal, general, and property liability coverage (with a limit of not less than \$1 million per occurrence and \$3 million aggregate and provide a copy of general liability insurance to Landlord, upon request; and all compensation and benefits to its employees engaged under this Lease.

The Landlord must show proof, upon request, using documentation applicable to their type of organization, that they have Worker's Compensation insurance coverage for all their employees.

## 23. INTEREST

The Landlord has no vested interest in the Tenant in that they do not have an investment in the facility nor do they realize any profit or loss from the operation of the Tenant's business.

On site work by Landlord will not destroy the independent contractor relationship between Landlord and Tenant.

Landlord's written status report or attendance at Tenant meetings will not destroy the independent contractor relationship between the Landlord and Tenant.

## 24. LOGO

Each party will use the other's name and/or logo in any descriptive or promotional materials of any kind without the other party's written approval.

## 25. NON-DISCRIMINATION

BOCES does not discriminate on the basis of age, sex, race, color, national origin, disability, creed, marital status, veteran status, sexual orientation, prior criminal offense, domestic violence victim status, or genetic status in its programs or activities and provides equal access to the Boy Scouts of America and other designated youth groups. The following person has been designated to handle complaints/inquiries regarding the BOCES' non-discrimination policies: Director of Human Resources, 3599 Big Ridge Road, Spencerport, New York 14559, 585-352-2420, and is also the Title VII and Title IX Officer. For further information on notice of non-discrimination, visit <http://wdcrobcolp01.ed.gov/CFAPPS/OCR/contactus.cfm> for the address and phone number of the office that serves your area, or call 1-800-421-3481. Please note that those wishing to file a complaint may also do so through the Department of Education's Office for Civil Rights at <https://www2.ed.gov/about/offices/list/ocr/complaintprocess.html>. See also New York State Executive Law 296.

Monroe 2-Orleans BOCES complies with the Americans with Disabilities Act (ADA) which provides access to all its services, programs, activities, and employment for those individuals with a disability. Monroe 2-Orleans BOCES will provide reasonable accommodations and/or appropriate modifications, aides and services as required by law to provide access to individuals with disabilities to its programs, services, employment, and activities. Any individual requesting an accommodation must notify the ADA Compliance Officer at least 72 hours prior to the event or program or activity. BOCES' non-discrimination policy 1440 and 6460 related to students can be found on the Community Tab. Disability Discrimination Complaint procedure is found in Regulation 2000 and 6461 located on the Monroe 2-Orleans BOCES website under the Community Tab. The designated ADA Compliance Officer is the Director of Human Resources, 3599 Big Ridge Road, Spencerport NY 14559, 349-2420.



26. NOTICE/SERVICE OF PROCESS

Any notice required or permitted by this Lease shall be made by personal delivery (effective when delivered) or by certified mail, return receipt requested (effective two (2) business days after proper posting) to the addresses first set forth above. Notices and Service of Process sent to the Landlord shall be to the attention of \_\_\_\_\_ (name and title). Notices and Service of Process sent to Tenant shall be to the attention of its District Clerk.

27. PART Z CHEMICALS

Landlord will comply with Federal Law with regard to Part Z chemicals and maintain Safety Data Sheets (SDS) on file for any Tenant staff, student, volunteer, parent, invitees, or attendees exposed to Part Z chemicals.

28. PEACEFUL USE

The Tenant's use of facilities shall be limited to those areas as specified above. The Landlord further covenants that the said Tenant on paying the said yearly rent, and performing the covenants aforesaid shall and may peacefully and quietly have, hold and enjoy the said premises for the term aforesaid, provided however, that this covenant shall not be conditioned upon the retention of title to the premises by the Landlord.

29. RENTAL

The Tenant shall pay as and for rent of said premises based on a formula using Greece's total 2019-20 O&M costs. The rent is payable in one installment by November 1, 2020 upon invoice from Landlord and payable to the Landlord's School District Treasurer.

30. INVALID/SEVERABILITY

In the event any provisions of this Lease shall be held invalid, illegal or null and void and unenforceable, the remaining provisions will survive and remain in effect as in the original agreement and shall be valid and binding upon the parties.

31. SPACE

The annual 12-month rental rate shall be eight dollars and thirty cents (\$8.30) per square foot prorated to 30 days. The total amount of the rent for the 30-day period shall be twelve thousand one hundred and sixty-nine dollars and six cents (\$12,169.06) for total square footage of 17,840 feet.

SUBCONTRACTING

Landlord may not engage subcontractors to perform the services under this Lease unless Tenant approves a written request for a subcontractor.

32. TERM

The term of the lease is from July 5, 2020 – August 19, 2020.

33. TERMINATION

It is agreed that the Tenant may terminate this lease with a thirty (30) calendar day written notice in the event that enrollment increases or declines, non-funding by component districts or similar occurrences cause continuation of the program to be impractical, or requests for services change resulting in an increase or decrease of enrollment.

This agreement may be terminated at any time with or without cause upon thirty (30) calendar day's written notice by either party to the other party without incurring any future penalty on account of such termination.

34. USAGE

The Tenant is free to use the space 24 hours per day during the lease term.

35. USAGE CHANGES

It is further understood if requests for services change, either an increase or decrease, then the number of rooms leased/rented may be altered provided ten (10) work days written notification is provided to the Landlord. The rent will be changed to reflect the increase or decrease or square footage. In the event of a need for an increase in square footage it is understood that such increase is subject to the availability of space and with the mutual agreement of both parties concerning this additional space.

AND, IT IS MUTUALLY UNDERSTOOD AND AGREED, that the covenants and agreements contained in the within lease shall be binding upon the parties hereto and upon their respective successors, heirs, executors, and administrators. In addition, it is agreed that this lease is contingent upon the facilities being in compliance with the regulations and requirements specified in the Asbestos Hazard Emergency Response Act and New York State Asbestos Safety Act.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed by their duly authorized officers and their respective seals to be hereunto affixed the day and year first above written.

MONROE 2-ORLEANS BOCES (Tenant)

BY \_\_\_\_\_  
JO ANNE L. ANTONACCI  
DISTRICT SUPERINTENDENT

\_\_\_\_\_ DATE

GREECE CENTRAL SCHOOL DISTRICT (Landlord)

BY \_\_\_\_\_  
KATHLEEN GRAUPMAN

SUPERINTENDENT OF SCHOOLS

DATE

10. New Business

3. Review of NYSSBA Convention Proposed Resolutions

10. New Business

4. Resolution to Approve Donation of \$250.00 from Finger Lakes Dental Care

10. New Business

5. Resolution to Approve Donation of Photovoltaic solar panel modules

10. New Business

6. Resolution to Approve Donation of \$7,500 from the Gene Haas Foundation



10. New Business

7. Records retention update (Local Government Schedule LGS-1 to replace ED-1)

11. Personnel and Staffing

1. Resolution to Approve Personnel and Staffing Agenda

## 12. Bids/Lease Purchases

1. Resolution to Accept Cooperative Fine Paper Bid Award
2. Resolution to Accept Print Shop Supplies Bid Award
3. Resolution to Accept Wheatland-Chili lease purchase of Toshiba copier equipment
4. Resolution to Accept Monroe 2-Orleans BOCES participation in Cooperative bid with Capital Regional BOCES For DATABASES, RESEARCH TOOL, E-BOOKS, AUTOMATION AND MEDIA FOR USE IN SCHOOL LIBRARY SYSTEMS “DREAM CONSORTIUM”

13. Executive Officer's Reports

1. Albany D.S. Report
2. Local Update- Service Awards Event; Foundation Celebration

## 14. Committee Reports

1. Labor Relations Committee (J. Abbott/J. Heise)
2. Legislation Committee (K. Dillon/D. Laba)
3. Information Exchange Committee (R. Charles Phillips/L. VenVertloh)

## 15. Upcoming Meetings/Calendar Events

- October 20-22 and October 27-29 NYSSBA Annual Convention (Virtual)
- October 21 5:30pm Audit Committee / 6:30pm Board Meeting (ESC, PDC)
- October 21 Noon MCSBA Labor Relations Committee (Double Tree)
- October 28 Noon MCSBA Steering Committee (Double Tree)
- November 4 Noon MCSBA Legislative Committee (Double Tree)
- November 4 5:45pm MCSBA Board Presidents Meeting (Double Tree)
- November 11 BOCES 2 closed
- November 12 Noon Board Officer Agenda Review
- November 14 6pm Monroe 2-Orleans Educational Foundation Celebration (virtual)
- November 18 Noon MCSBA Labor Relations Committee (Double Tree)
- November 18 4pm MCSBA Information Exchange Committee (Double Tree)
- November 18 6:30pm Board Meeting (ESC, PDC)
- Nov. 25-27 BOCES 2 closed

## 16. Other Items

17. Anticipated Executive Session to discuss the employment history of a particular person(s).



## 18. Adjournment