BAHGAT & LAURITO-BAHGAT
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
PROVIDING THE TOOLS FOR FINANCIAL SUCCESS

Directors
Sham Dean Bahgat, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
NY44 Health Benefits Plan Trust

Opinion

We have audited the accompanying financial statements of NY44 Health Benefits Plan Trust (a nonprofit organization), which comprise the statements of net assets as of June 30, 2025, and 2024, and the related statements of activities, functional expenses, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NY44 Health Benefits Plan Trust as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NY44 Health Benefits Plan Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NY44 Health Benefits Plan Trust's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NY44 Health Benefits Plan Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NY44 Health Benefits Plan Trust's ability to continue as a going concern for a reasonable period of time.

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

Bahgat & Laurito-Bahgat
Certified Public Accountants, P.C.
Fredonia, New York

November 7, 2025

NY44 HEALTH BENEFITS PLAN TRUST
STATEMENTS OF NET ASSETS
JUNE 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 52,462,544	$ 59,584,348
Investments in securities	11,256,000	12,981,207
Prepaid Expenses	35,887	-
TOTAL ASSETS	**$ 63,754,431**	**$ 72,565,555**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Deferred participants' contributions	$ 833,479	$ 3,816,699
Estimated health claims payable	15,496,358	14,577,996
TOTAL CURRENT LIABILITIES	16,329,837	18,394,695
NET ASSETS		
Without restriction	47,305,346	54,054,924
With restriction	119,248	115,936
TOTAL NET ASSETS	47,424,594	54,170,860
TOTAL LIABILITIES AND NET ASSETS	**$ 63,754,431**	**$ 72,565,555**

See accompanying notes and independent auditor's report.

NY44 HEALTH BENEFITS PLAN TRUST
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	2025			2024		
	Without Restriction	With Restriction	Total	Without Restriction	With Restriction	Total
REVENUES						
Participants' contributions	$ 133,356,139	$ -	$ 133,356,139	$ 120,823,490	$ -	$ 120,823,490
Drug subsidy	830,636	-	830,636	733,217	-	733,217
Interest income	2,038,640	3,312	2,041,952	1,714,404	3,609	1,718,013
Trust administrative fee revenues	960,383	-	960,383	935,340	-	935,340
Realized and unrealized change in investments, net	83,693	-	83,693	105,774	-	105,774
Pharmacy rebates	15,040,384	-	15,040,384	6,352,363	-	6,352,363
Stop loss insurance reimbursement	72,326	-	72,326	68,579	-	68,579
Total Revenues	**152,382,201**	**3,312**	**152,385,513**	**130,733,167**	**3,609**	**130,736,776**
EXPENSES						
Program Services	158,780,961	-	158,780,961	135,837,397	-	135,837,397
Management and General	350,818	-	350,818	346,347	-	346,347
Total Expenses	**159,131,779**	-	**159,131,779**	**136,183,744**	-	**136,183,744**
CHANGE IN NET ASSETS	**(6,749,578)**	**3,312**	**(6,746,266)**	**(5,450,577)**	**3,609**	**(5,446,968)**
NET ASSETS, at beginning of year	54,054,924	115,936	54,170,860	59,505,501	112,327	59,617,828
NET ASSETS, at end of year	**$ 47,305,346**	**$ 119,248**	**$ 47,424,594**	**$ 54,054,924**	**$ 115,936**	**$ 54,170,860**

See accompanying notes and independent auditor's report.

NY44 HEALTH BENEFITS PLAN TRUST
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	2025			2024		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Medical & dental claim payments	$ 152,720,718	$ -	$ 152,720,718	$ 130,386,211	$ -	$ 130,386,211
Health and wellness program	58,459	-	58,459	-	-	-
Total Claims	152,779,177	-	152,779,177	130,386,211	-	130,386,211
Administrative expenses						
Claims administration	4,262,494	-	4,262,494	3,748,379	-	3,748,379
Salaries and payroll taxes	-	211,039	211,039	-	213,017	213,017
Legal and consulting	1,083,120	25,681	1,108,801	908,914	25,119	934,033
Insurance	623,167	31,136	654,303	763,750	39,226	802,976
Patient-centered outcomes research fee	33,003	-	33,003	30,143	-	30,143
Other	-	82,962	82,962	-	68,985	68,985
Total Administrative	**6,001,784**	**350,818**	**6,352,602**	**5,451,186**	**346,347**	**5,797,533**
Total Expenses	**$ 158,780,961**	**$ 350,818**	**$ 159,131,779**	**$ 135,837,397**	**$ 346,347**	**$ 136,183,744**

See accompanying notes and independent auditor's report.

NY44 HEALTH BENEFITS PLAN TRUST
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (6,746,266)	$ (5,446,968)
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized and unrealized change in investments	(83,693)	(105,774)
(Increase) decrease in current assets:		
Accounts receivable	-	-
Prepaid expenses	(35,887)	-
Increase (decrease) in current liabilities:		
Deferred participant contributions	(2,983,220)	392,741
Estimated health claims payable	918,362	2,888,068
NET CASH USED IN OPERATING ACTIVITIES	**(8,930,704)**	**(2,271,933)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(88,618,954)	(29,591,333)
Proceeds from sale of investments	90,427,854	30,101,080
NET CASH PROVIDED BY INVESTING ACTIVITIES	**1,808,900**	**509,747**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(7,121,804)**	**(1,762,186)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	59,584,348	61,346,534
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 52,462,544**	**$ 59,584,348**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Trust

The following description of the NY44 Health Benefits Plan Trust provides only general information. Participants should refer to the Plan Trust Summary Plan Description (SPD) for a more complete description of the Trust's provisions which can be found on the Trust's website.

The Trust was established between the Erie 1 BOCES Board and the Board of Trustees of NY44 Health Benefits Plan Trust on May 15, 2003, and continued in existence to December 31, 2010, thereafter, it renews on a year-to-year basis, unless sooner terminated, pursuant to Article 12 of the Trust agreement.

The governing Board shall consist of five managerial representatives employed by Erie I BOCES and five labor employees of Erie I BOCES, each of whom shall be a member of, and separately designated by, one of the five labor organizations that has a collective bargaining agreement with Erie I BOCES. Any action taken by the Trustees shall be by unit vote, 1 management and 1 union.

The purpose of the Trust, and the general nature of its business shall be established and maintained, pursuant to Article 44 of the Insurance Law of the State of New York, an employee welfare (Trust), self-funding in whole or in part, or insuring in whole or in part, health benefit coverage for eligible employees.

Basis of Accounting

The financial statements of the NY44 Health Benefits Plan Trust are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation

The Trust is required to report information regarding its financial position and activities according to two classes of net assets: net assets with restrictions and net assets without restrictions which are described as follows:

With Restriction

Restricted net assets are subject to imposed stipulations that may or will be met either by actions of the Trust and/or passage of time. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Additionally, the Trust has net assets subject to imposed stipulations that require the net assets be maintained permanently by the Trust. Generally, the Trust is permitted to use all or a part of the income earned on any related investments for general or specific purposes.

Without Restriction

Net assets without restriction are not subject to donor imposed stipulation.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Trust considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values, mutual funds, and all investments in debt securities are measured at market value in the statement of net assets. The fair values for equity securities, mutual funds, and debt securities are based on quoted market prices.

Investment income and gains are reported as increases in additions to net assets in the reporting period in which the income and gains are reported.

Deferred Participants Contributions

Deferred participants' contributions represent contributions received in advance for the next fiscal year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Health Claims Payable

The cost of claims payable for health care services provided to Trust members, covered employees and dependents include estimates based on evaluations of providers' claims submitted and provisions for incurred but not yet reported claims. Trust liabilities incurred but not yet reported are estimated by the Trust's contracted actuary based on the completion factor method. The completion factor method is based on an incurred claim estimation technique whereby ultimate claim costs are projected assuming claims complete at the same rate as historical experience dictates. The completion factor method permits the actuarial estimation of incurred claim costs for each month of the plan year.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Participant Contributions

The Trust receives contributions from its Trust members on behalf of the covered employees and dependents. This contribution is based on employee classification (single or family) multiplied by a predetermined rate per month, such rate being determined with the Board of Trustees.

Participant Assessments

The Trust receives monies from charter schools which is set aside for health claims payable subsequent to the termination of a charter school. These monies are accounted for in net assets with restrictions.

Trust Amendment and/or Termination

The Trust may be amended and/or terminated by a majority vote of the Board of Trustees. If terminated, all previous contributions by the Trust members shall continue to be issued for the purpose of paying benefits under the provisions of this Trust with respect to claims arising before such termination, or shall be used for the purpose of providing similar health benefits to covered participants.

NOTE 2– CASH & CASH EQUIVALENTS

The Trust had the following cash and cash equivalents:

	June 30, 2025	June 30, 2024
M&T Checking	$ 5,302,467	$ 23,089,087
M&T Money Market Savings	4,752,114	32,265,446
New York Liquid Asset Fund	35,689,031	-
Wilmington Trust	6,718,932	4,229,815
Total	**$ 52,462,544**	**$ 59,584,348**

New York Liquid Asset Fund

In January, 2025, the Trust opened a New York Liquid Asset Fund (NYLAF). NYLAF is now merged with New York Cooperative Liquid Assets Security system (NYCLASS), a multi-municipal investment pool agreement where a portion of investments are held in cooperation with other participants. At June 30, 2025, the Trust held $35,689,031 in all NYLAF accounts. The investments are highly liquid and are considered to be cash equivalents. NYLAF accounts are FDIC insured, and placed in various bank accounts for full insurance.

Custodial Credit and Concentration of Credit Risks

Custodial credit risk is the risk that in the event of bank failure, the Trust's deposits may not be returned to it. The Trust's deposits are exposed to custodial credit risk if they are not covered by depository insurance.

The Trust's aggregate bank balances at June 30, 2025 and 2024 totaled $52,512,675 and $59,588,821, respectively, and are categorized as follows:

A. Insured,

B. Collateralized with securities held by the pledging financial institution in the Trust's name, or trust department of agency in the Trust's name, or

C. Uncollateralized.

	June 30, 2025	June 30, 2024
A	$ 36,189,030	$ 500,000
B	9,604,713	54,859,006
C	6,718,932	4,229,815
Total	**$ 52,512,675**	**$ 59,588,821**

NOTE 3– INVESTMENTS

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions (all Level 1 measurements).

Description	2025 Quoted Prices in Active Market for Identical Assets (Level 1)	2024 Quoted Prices in Active Market for Identical Assets (Level 1)
U.S. Treasury bonds	$ 2,837,354	$ 4,175,616
Municipal Bonds	8,418,646	8,805,591
Total	**$ 11,256,000**	**$ 12,981,207**

NOTE 4 – ESTIMATED HEALTH CLAIMS PAYABLE

The cost of claims payable for health care services provided to consortium members' covered employees and dependents include estimates based on evaluations of provider's claims submitted and provisions for incurred but not yet reported claims. The estimated cost of claims payable of $15,496,358 and $14,577,996, as of June 30, 2025 and 2024 respectively, were calculated by the Trust's qualified actuary.

NOTE 5– OTHER EXPENSES

Other expenses consist of the following at June 30:

	2025	2024
Operations expense		
Rent	$ 14,349	$ 17,653
Supplies & Miscellaneous	933	838
Postage	36,346	31,363
Phone	6,455	6,535
Total Operations expense	58,083	56,389
Meeting expense	4,199	1,003
Engagement Incentive	10,250	3,625
Marketing	247	1,129
Set Up Fees	4,750	-
Other	5,433	6,839
Total	**$ 82,962**	**$ 68,985**

NOTE 6 – RELATED PARTY

The Trust finances are managed by its employees and employees of Erie 1 BOCES. All amounts detailed in Note 5 under operations expense are amounts paid to Erie 1 BOCES as per the agreements signed with Erie 1 BOCES. Erie 1 BOCES is also a participant in the medical benefits plan.

NOTE 7 – STOP-LOSS INSURANCE COVERAGE

The Trust purchased a separate stop loss insurance policy, for the years ending June 30, 2025 and 2024, with a stop loss deductible of $1,500,000 and $1,125,000, respectively, per specific incident, with no annual or lifetime individual limit.

As of June 30, 2025 and 2024, the Trust has incurred $572,727 and $713,273 in stop loss premiums and the Trust has received $72,326 and $68,579 in stop loss reimbursements, respectively.

NOTE 8 - INCOME TAXES

The Trust is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(9) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than private foundation under Section 509(a)(2). The Trust believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax provisions that are material to the financial statements.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects NY44 Health Benefits Plan Trust's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or imposed restrictions.

	2025	2024
Financial assets at year end	$ 63,718,544	$ 72,565,555
Less those unavailable for general expenditures:		
Subsequent period premium assessment:		
South Buffalo Charter School Premium Advance	(119,248)	(115,936)
Financial assets available to meet cash needs for general expenditures within one year	$ 63,599,296	$ 72,449,619

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The Trust has a goal to maintain financial assets, which consists of cash, on hand to meet normal operating expenses. The Trust has its financial assets available as its general expenditures, liabilities, and other obligations come due.

NOTE 10 – NET ASSETS WITHOUT RESTRICTION

At June 30, 2025 and 2024, the Trust had an amount in excess of the required reserves in the amounts of $47,305,346 and $54,054,924, respectively. This is the amount that is available to cover the short-falls when claims and administrative expenses exceed premium revenues.

NOTE 11 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various activities have been summarized in the Statements of Activities. The Trust presents Statements of Functional Expenses to allocate its expenses on a functional basis among program and supporting activities which are summarized and categorized based upon their functional classification. Expenses that can be identified with a specific program or activity are allocated directly according to their natural expenditure classification. Certain categories of expenses are attributable to both program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The other expenses that are common to multiple functions are allocated by various statistical percentages determined by management.

NOTE 12 - PARTICIPANT TERMINATIONS

There were no terminated districts from July 1, 2024 to June 30, 2025.

NOTE 13 – RETIREMENT PLAN

Employees are eligible to contribute to a pooled 401(k) plan. This plan was adopted on July 31, 2023. To be eligible for the plan, employees must be at least age 18 and must have satisfied at least one year of service with the Trust. Employer contributions are discretionary, and as of June 30, 2025, none have been made.

NOTE 14 – SUBSEQUENT EVENTS

Events and transactions which have occurred from June 30, 2025 through November 7, 2025 which is the date the financial statements were available to be issued, have been evaluated by the Trust's management.