

**CITY SCHOOL DISTRICT OF  
SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE  
CITY OF SYRACUSE, NEW YORK)**

**Financial Statements and Required Reports  
Under Uniform Guidance as of and for the Year Ended  
June 30, 2023**

**Bonadio & Co., LLP**  
*Certified Public Accountants*

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

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## INDEPENDENT AUDITOR'S REPORT

December 13, 2023

To the Board of Education of the  
City School District of Syracuse, New York:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability (Asset), and Schedule of Contributions- Pension Plans be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Capital Projects Fund – Schedule of Project Expenditures and the Net Investment in Capital Assets, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the School District'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 School District's 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 the School District's internal control over financial reporting and compliance.

# **CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023**

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The purpose of the management's discussion and analysis (MD&A) section of the Syracuse City School District's (the School District) financial statements is to provide the reader with an overall review of the School District's financial activities including its blended component unit, Joint Schools Construction Board (JSCB) for the year ended June 30, 2023 based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. To enhance their understanding of the School District's financial performance, readers should refer to the basic financial statements and the notes to the basic financial statements which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

#### **Government-wide Statement Overview**

- During the year the School District provided program services at a net expense of \$380.4 million of which it received \$411.2 million from State and Federal sources. The balance was funded by taxes and other miscellaneous revenue sources.
- The School District's combined net position for all activities increased by \$99.5 million as a result of this year's operations.
- At June 30, 2023, combined net position for all activities was a deficiency of \$21.5 million mainly as a result of recognizing other postemployment benefits (OPEB) liability of \$338.4 million.
- At June 30, 2023, combined capital assets including leased assets, net of depreciation were \$534.3 million.
- The combined depreciation and amortization expense for all activities was \$13.1 million.
- The total long-term bonds payable, as of June 30, 2023, were \$267.2 million, a decrease of \$23.7 million from the prior year.

#### **Fund Financial Statement Overview**

- The total revenue for all governmental funds was \$651.3 million which was an increase of \$25.3 million or 4.0% over the 2021-2022 year.
- The final General Fund budget (including the prior year's encumbrances and amendments as applicable) of \$487.9 million was an increase of \$10.0 million or 2.1% over the 2021-2022 budget.
- General Fund revenues (including operating transfers in and proceeds from leases/SBITAs) of \$485.8 million were an increase of \$10.3 million or 2.2% over the prior year.
- General Fund expenditures (including operating transfers out) of \$451.1 million were an increase of \$29.6 million or 7.0% over the prior year.
- The General Fund's fund balance increased by \$34.7 million from \$153.9 million to \$188.6 million due to an excess of revenues over expenditures.

## **USING THIS ANNUAL REPORT**

This annual report consists of three components: MD&A, the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- Government-wide financial statements that include the Statement of Net Position and the Statement of Activities. These statements provide both short-term and long-term information about the activities of the School District as a whole as well as the School District's blended component unit, JSCB.
- Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the government-wide financial statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column. JSCB, a blended component unit of the School District, is presented as a major component unit in the governmental fund financial statements.

The governmental fund financial statements show how basic services such as general and special education were financed in the short-term, as well as how much remains for future spending.

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements including a comparison of the School District's General Fund budget to actual for the year.

Table 1, on the next page, summarizes the major features of the School District's financial statements, including the portion of the School District's activities covered and the types of information contained. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

## USING THIS ANNUAL REPORT (Continued)

**Table 1** Major Features of the Government-wide and Fund Financial Statements

	Government-wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid (Trust Fund only)

## **USING THIS ANNUAL REPORT (Continued)**

### **Government-wide Financial Statements**

One of the most fundamental and key questions relative to any School District is *How did we do financially during the course of this past year?* To help answer this question, the Statement of Net Position and the Statement of Activities provide information on the School District as a whole using accounting methods similar to those used by private-sector companies. These statements present a summary of assets, deferred outflows of resources, liabilities and deferred inflows of resources as well as revenues and expenses using the accrual basis of accounting similar to those methods used by private-sector companies. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net Position - the difference between the School District's assets and deferred outflows of resources and the School District's liabilities and deferred inflows of resources - is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial situation is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the Government-wide Statement of Net Position and the Statement of Activities, the School District's activities are shown as Governmental Activities. The majority of the School District's basic programs and services are reported here, including general and special education, pupil transportation, and administration. Property taxes and State formula aid finance most of these activities.

### **Fund Financial Statements**

The Fund Financial Statements provide more detailed information about the School District's funds, focusing on the most significant or major funds, rather than the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

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

## **USING THIS ANNUAL REPORT (Continued)**

### **Fund Financial Statements (Continued)**

The School District has three types of activities:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Private Purpose Trusts Fund for various scholarships. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because these assets are not available to finance the School District's operations.
- **Blended Component Unit:** The School District includes one separate legal entity in this report - JSCB. JSCB is a joint venture between the School District and the City of Syracuse (the City). JSCB is authorized to act as an agent to enter into contracts on behalf of the School District and the Common Council of the City of Syracuse, New York for the design, construction, reconstruction and financing of educational facilities in the City in accordance with applicable State and Local laws. JSCB has a fiscal year which ends June 30.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 2) and the changes in net position (Table 3) of the School District's governmental activities.

In Table 2, total governmental assets decreased by \$163.6 million, or 16.7%. The School District's proportionate shares of the New York State Teachers' Retirement System's (NYSTRS) and New York State and Local Employees' Retirement System's (NYSERS) net pension assets decreased from net pension assets of \$199.0 million to net pension liabilities of \$54.3 million this year.

Total liabilities increased by \$52.8 million or 7.0% mainly due to an increase of \$31.6 million in the District's long-term liability for other postemployment benefits (OPEB) this year and a \$54.3 million increase in the School District's share of the NYSTRS and NYSERS pension liability. These increases were partially offset by the reduction in bonds payable for the \$27.8 million of principal payments made and bond premium amortization, and a reduction of \$5.3 million in accrued payroll as negotiated collective bargaining unit contract settlements were paid out.

**Table 2 - Condensed Statement of Net Position  
(In Thousands of Dollars)**

	Governmental Activities		Percentage Change
	2022	2023	
<b>Assets</b>			
Current and Other Assets	\$ 249,199	\$ 279,703	12.2%
Non-current Assets	728,337	534,265	-26.6%
<b>Total Assets</b>	<b>977,536</b>	<b>813,968</b>	<b>-16.7%</b>
Deferred Outflows of Resources	199,192	216,202	8.5%
<b>Liabilities</b>			
Bonds Payable - Due in One Year	28,825	26,055	-9.6%
Bonds Payable - Due in More Than One Year	303,398	278,318	-8.3%
Other Liabilities	422,503	503,758	19.2%
<b>Total Liabilities</b>	<b>754,726</b>	<b>808,131</b>	<b>7.1%</b>
Deferred Inflows of Resources	542,932	243,499	-55.2%
<b>Net Position</b>			
Net investments in capital assets	217,113	241,620	11.3%
Restricted	31,749	29,005	-8.6%
Unrestricted (deficit)	(369,793)	(292,086)	-21.0%
<b>Total Net Deficit</b>	<b>\$ (120,931)</b>	<b>\$ (21,460)</b>	<b>-82.3%</b>

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Deferred outflows of \$216.2 million and deferred inflows of \$243.5 million, an increase of \$17.0 million and a decrease of \$299.4 million, respectively from the prior year, were also recognized this year in accordance with Governmental Accounting Standards Board (GASB) Statements No. 68 and 71 for the School District's shares of the NYSERS and NYSTRS pensions, OPEB liability, lottery aid advance and bond refundings.

The School District's combined governmental net deficit decreased by approximately \$99.5 million or 82.3%. At June 30, 2023, the total liabilities and deferred inflows of resources exceeded the total assets and deferred outflows of resources by \$21.5 million (net deficit).

As shown in Table 3 below, the School District's total revenues from governmental activities increased by \$24.3 million to \$616.2 million with the inflow of federal stimulus funding from the American Rescue Plan Act of 2021 (ARPA) and the 2021 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the continued phase-in by New York State to fully fund school districts' Foundation Aid.

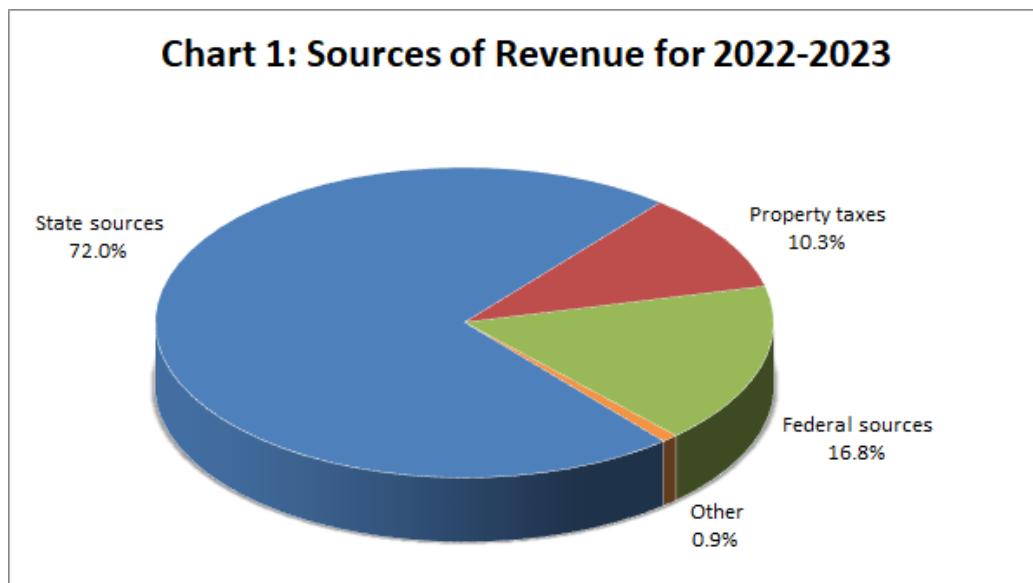
The cost of all governmental programs and services increased by 22.0% or \$93.2 million due to the increase in expenses caused by the increase in the School District's OPEB liability valuation and change in the School District's share of NYSERS' and NYSTRS' pension assets from a net asset in the prior year to a net liability in the current year, which outweighed the cost increases associated with contractual wage and benefit increases and increases in spending for CRRSA and ARPA initiatives.

**Table 3 – Changes in Net Position from Operating Results  
(In Thousands of Dollars)**

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2022</b>	<b>2023</b>	
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 361	\$ 383	6.1%
Operating Grants and Contributions	123,453	135,933	10.1%
General Revenues:			
Property Taxes and Other Taxes	63,287	64,656	2.2%
State and Local Sources	393,934	407,685	3.5%
Federal Sources	4,483	3,548	-20.9%
Use of Money and Property	168	2,278	1256.0%
Miscellaneous	6,857	1,707	-75.1%
Total Revenues	<u>592,543</u>	<u>616,190</u>	4.0%
<b>Expenses</b>			
General Support	64,959	82,928	27.7%
Instruction	311,960	382,138	22.5%
Pupil Transportation	21,000	26,645	26.9%
Community Service	1,451	1,506	3.8%
School Food Service Program	13,336	14,018	5.1%
Interest	10,765	9,484	-11.9%
Total Expenses	<u>423,471</u>	<u>516,719</u>	22.0%
<b>Increase (Decrease) in Net Position</b>	<b>\$ 169,072</b>	<b>\$ 99,471</b>	<b>41.2%</b>

## **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

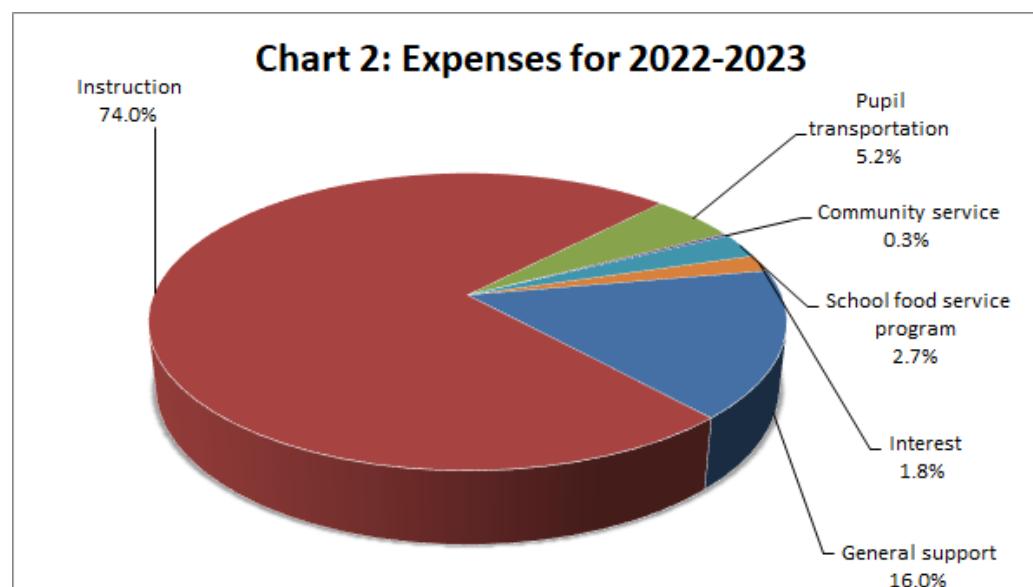
The School District is dependent on New York State and Federal funding sources for financing day to day operations with these two funding sources comprising 88.8% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.



The School District spent 74.0% of total expenditures on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 2.7% providing meals to students through the School Food Service Program as shown in Chart 2 below.

Pupil Transportation services to transport all eligible students who are residents of the School District to sites both within and outside of the School District utilized 5.2% of total expenditures.

General Support services such as custodial, maintenance, security, information technology, human resources and business administrative services made up approximately 16.0% of total expenditures.



## **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

At June 30, 2023, the School District's governmental funds reported a combined fund balance of \$214.8 million, which is an increase of \$32.0 million from the prior year's combined fund balance of \$182.9 million. The fund balance represents the accumulated results of the current and all previous years' operations.

The total fund balance is segregated into non-spendable, restricted, committed, assigned and unassigned amounts based on the nature of the restriction imposed on the School District's ability to use those net assets for day-to-day operations. More detailed information on the nature of each category of fund balance is presented in Note 1 to the financial statements. As a measure of each fund's liquidity, it may be useful to compare both its unassigned fund balance and total fund balance to total fund expenditures.

### **General Fund**

The General Fund's fund balance at June 30, 2023, is \$188.6 million, which is an increase of \$34.7 million from the prior year's fund balance of \$153.9 million. Of the balance at June 30, 2023, \$101.8 million was unassigned. The unassigned fund balance represents 22.6% of the total current year General Fund expenditures, while total fund balance represents 41.8% of that same amount. The School District Board of Education has committed \$10 million for the Countywide STEAM High School construction project, \$10 million for Capital Projects, \$20 million for a minimum 4% set-aside, \$6.1 million for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, and \$3 million for the phase-in of Montessori at Delaware Primary and the whole-school dual language model of instruction at Seymour Dual Language Academy. Additionally, \$25 million was assigned to balance future years' budgets when the federal pandemic relief funds phase-out in the 2023-24 and 2024-25 fiscal years.

### **JSCB**

At June 30, 2023, JSCB, a blended component unit, reported a fund balance of \$6.4 million, which is a decrease of \$5.4 million from the prior year's fund balance of \$11.8 million as spending continues on school renovation projects. The entire amount of the fund balance is reserved for use in the related JSCB construction and renovation projects to be completed throughout the School District.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The School District's original adopted General Fund budget was \$487.9 million, consisting of the current year's operating budget of \$480.8 million and prior year's encumbrances of \$7.1 million. The final budget was the same as the original budget.

The actual charges to appropriations (expenditures) were \$36.8 million or 7.5% less than the final budget amount of \$487.9 million. Salary and related benefit costs including retirement, FICA and Medicare costs were \$17.0 million less than the adopted budget due to position vacancies caused by staffing shortages, reduced availability of substitute coverage services and reduced professional development and extensions of services.

Health and prescription costs were less than the adopted budget by \$10.3 million. The School District is self-insured paying actual claims as incurred, so dollar-for-dollar savings were recognized from this year's lower than anticipated claim volume with fewer enrollees due to position vacancies and wellness care and elective procedure levels not returning to pre-pandemic levels as anticipated, as well as continued cost savings from implementing a Medicare Advantage Prescription Drug (MAPD) plan.

Additionally, encumbrances of an estimated \$8.1 million were outstanding at year-end for goods and services ordered but not yet received due to the impact of supply chain delays and labor and product shortages.

## **GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)**

Resources available for appropriation (revenues) excluding the use of fund balance were approximately \$5.0 million, or 1.0% more than the final budgeted amount of \$480.8 million. State Aid was \$2.3 million higher than budgeted mainly due to higher Private and High Cost Excess Cost aid based on the level of student needs and services provided. Additionally, Earnings on investments were \$2.0 million higher than budgeted due to higher than projected interest rate returns on investments for cash on hand. Federal revenues were also \$1.7 million higher than anticipated with increased E-Rate reimbursement based on completion of additional connectivity projects that were eligible for aid and increased Medicaid reimbursements based on more billable services being provided. These favorable variances were partially offset by \$2.4 million less of interfund revenue from lower than anticipated CRRSA and ARPA grant transfers and food service program transfers. Interfund revenue received from grants such as CRRSA and ARPA and the food service program is used to support general fund administrative costs associated with grant and food service program operations such as payroll processing, utilities, custodial support and financial operations.

For a more detailed comparison of budget to actual operating results by category, refer to the Required Supplementary Information Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the Year Ended June 30, 2023.

## **CAPITAL ASSETS**

At June 30, 2023, the School District had \$534.3 million, net of depreciation and amortization, invested in a broad range of capital assets, including land, buildings, athletic facilities, vehicles, software and other equipment for governmental activities. This amount represents a net increase of \$4.9 million or 0.9% from last year. The School District added an additional \$10.1 million to construction in progress as major renovations at various schools throughout the School District continued under Phase II of the JSCB school reconstruction program and transferred \$199.2 million from construction in progress to fixed assets for the completion of reconstruction, technology, and energy improvement projects at eight schools.

**Table 4 - Capital Assets at Year End  
(Net of Depreciation/Amortization, in Thousands of Dollars)**

	Governmental Activities		Percentage Change
	2022	2023	
Land	\$ 1,480	\$ 1,480	0.0%
Land Improvements	3,446	6,241	81.1%
Buildings and Improvements	282,747	470,483	66.4%
Furniture and Equipment	7,075	9,402	32.9%
Vehicles	1,600	2,889	80.6%
Software	330	261	-20.9%
Right-to-use Leased Assets	1,134	1,070	-5.6%
SBITAs	-	9	100.0%
Construction in Progress	231,521	42,430	-81.7%
Total	\$ 529,333	\$ 534,265	0.9%

More detailed information about the School District's capital assets is presented in Note 4 to the financial statements.

## **DEBT ADMINISTRATION**

At June 30, 2023, the School District had \$267.2 million of bonds payable outstanding compared to \$290.9 million last year, a decrease of \$23.7 million or 8.1% as a result of principal payments made during the year. New debt issuances are not anticipated to be needed again until JSCB Phase III construction begins.

More detailed information about the School District's long-term liabilities is presented in Note 5 to the financial statements.

## **NEXT YEAR'S BUDGET**

In developing the School District's 2023-24 budget, our priority remains ensuring that the needs of our students and staff are met – while also looking ahead and prioritizing areas that will help our students and our district advance.

The District will continue to benefit from federal stimulus funding in the 2023-24 school year, which will be expended within the guidelines set forth in the American Rescue Plan Act of 2021 (ARPA). This funding will be allotted in a way that best supports our district now, and that will set us up to continue our most critical initiatives in the future when this funding expires. We continue to align our work to our Strategic Plan, which is being refreshed to reflect both short-term and long-term success.

Specifically, the budget includes the following priorities:

- 1. Engaging our families and communities:** Strong school communities engender strong students, lead to academic success, and prepare children for active citizenship and successful careers. We continue to engage the public in the budget process through their participation in the District-Wide Balancing Act initiative. Our school buildings are also key to engagement, with seven schools involved in their third year of Participatory Budgeting, and our high schools having incorporated participatory budgeting into the civics course curriculum for a second year.
- 2. Embedding culturally responsive practices in all that we do:** We strive to bridge the gap between what students learn from their studies in the classroom with their experiences in the community. Our day-to-day interactions will encourage and embrace the wonderful diversity of our school communities.
- 3. Providing dynamic, rigorous curriculum and instruction:** We are incorporating personalized project-based learning at every grade level to ensure our students will graduate well prepared for a successful transition into higher education, careers, and active citizenship. These initiatives span all grade levels, from an Early Literacy Initiative for our youngest learners to expanding our Career and Technical Education (CTE) Programs for high school students. We will continue to enhance school-based programming such as AVID, International Baccalaureate, Montessori, Dual Language, Expeditionary Learning, and STEAM initiatives. Additionally, we will continue to provide intensive ELA and mathematics supports, early literacy, project-based learning, and extensive summer school programs to ensure acceleration and enrichment opportunities for all students.
- 4. Recruiting, developing, supporting, and retaining the most effective diverse staff:** Our staff are instrumental in the growth and success of our children. We are strengthening partnerships with teacher prep programs, investing in high-quality professional development, and continuing a CTE pathway for urban teachers to grow our own future teachers and leaders, so that one day our SCSD graduates will be the leaders in our schools and classrooms. Our instructional staff continue to demonstrate their immense passion and integrity and I pledge to honor their hard work with focused professional development and embedded classroom supports.

## **NEXT YEAR'S BUDGET (Continued)**

**5. Enhancing social-emotional and mental health supports:** We have added school counselors, social workers, social worker assistants, and parent aides in the Office of Engagement Services, as well as school teams to monitor attendance and behavior, and health attendants to support school nurses. We have established additional partnerships with community-based organizations to build relationships and foster connections that support our students while in school and within our community. The District has established a multi-tiered system of support to ensure universal supports for Social Emotional Learning (SEL) and will continue to utilize a consistent SEL curriculum.

**6. Safety and security of children and staff is paramount:** We are implementing initiatives that will increase and improve the safety and security in our buildings. We will continue providing transportation to all K-8 students beyond one mile. Each school building is equipped with personal protective equipment for students and staff, air purifiers in classrooms, additional sanitizing tools, and trifold desktop partitions. In addition, our Health Services Department continues efforts to ensure that our medical professionals have the resources needed.

For 2023-24, the School District has two schools in receivership (Lincoln and Clary Middle Schools), down from 18 in 2015, and these schools will continue transformation with International Baccalaureate and AVID models. STEAM at Dr. King Elementary, Brighton Academy and Syracuse STEM at Blodgett, all opened in September 2019 with significant changes in thematic programming, staff, support services, climate, and culture. The School District completed the phase-in of new programming of Montessori at LeMoyne and is starting the phase-in of Montessori at Delaware Primary. Additionally, the District is phasing-in a whole-school dual language program at Seymour Elementary. The School District will continue to have high expectations for our staff and students and to build the supports needed to help them achieve their goals as they persevere in the current circumstances.

In comparing the 2023-24 Budget to the prior year's budget, state aid is increasing as a result of the full phase-in of Foundation Aid. We are thankful to our representatives in Albany for ensuring that this funding was provided in the enacted state budget to support our students. It is essential that we continue to work collaboratively with our local, state, and federal representatives to achieve equitable and adequate funding for our students.

The School District's portion of the total Property Tax Levy including STAR revenue remained the same from the 2022-23 adopted budget amount to the 2023-24 budget as amended and approved by the City. State Aid increased by approximately \$42.5 million or 10.6% mainly due to an increase in Foundation Aid funding.

In order to balance the budget, the School District will continue to apply for a special apportionment provided pursuant to the New York State Laws of 2023 which allows school districts to accrue a portion of their subsequent year's State Aid into the current fiscal year.

The School District, in conjunction with the City of Syracuse, continues to aggressively manage its spending and evaluate opportunities for increased efficiency, consolidation and cost reduction.

## LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT

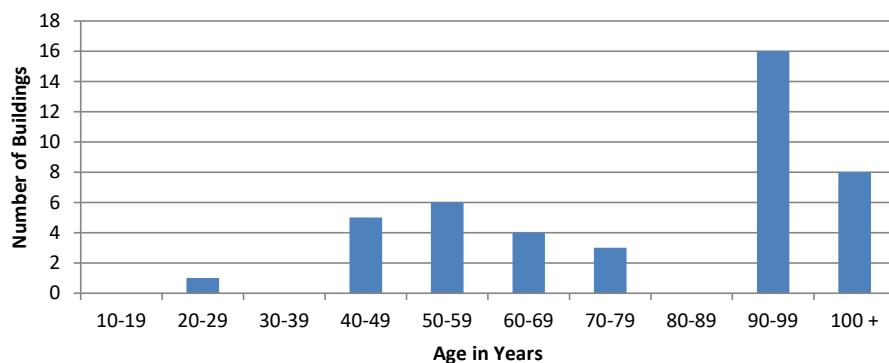
### Challenges

As a dependent school district without the authority to raise taxes or issue debt, the School District is directly affected by Local and State economic conditions. Like many urban districts, the School District operates in an environment of fluctuating enrollment, increasing costs of operations (primarily salary, wages, employee benefits, and charter schools), and an aging infrastructure.

The COVID-19 Pandemic has had a significant impact on the School District's operations and financial results and spending. As the pandemic continues, the impact on students continues to grow. The School District will remain flexible in its instructional models for remote, hybrid and in-person instruction to best protect and promote the health and safety of students and staff and will offer social emotional supports and academic supports to address learning loss resulting from the pandemic now and in future years.

Maintaining and operating District facilities also presents a significant challenge, one which is made more difficult given the age of the school buildings. Approximately 60% of the School District's facilities are 80 years old or older (see Table 5). In response to the need to allocate funds to meet the increasing costs of instructional activities, funding routine maintenance has been curtailed. Consequently, the amount of deferred maintenance continues to increase.

**Table 5 - Age of Active School Buildings**



All these challenges impact the School District's ability to both attract and retain a high quality instructional and administrative workforce.

As we look forward there are many notable initiatives that will have a positive impact on the School District's ability to achieve its mission to build, support and sustain school communities that provide all students with a high-quality education that prepares them to graduate as responsible, active citizens ready for success in college and careers and prepared to compete in a global economy.

### Notable Initiatives

#### *Syracuse City School District Educational Foundation*

To support the School District, the Syracuse City School District Educational Foundation (the Foundation), an independent, non-profit entity, was formed in 2003 with the mission to supplement, support and enrich the student experience to prepare students for a successful future. The Foundation's grants program has successfully provided funding for a wide array of educational resources such as educational technology, class programming aides, books, tutorial programs, supplies, instructional software programs, equipment, and more.

## **LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT (Continued)**

### *Greater Syracuse Land Bank*

The City of Syracuse and County of Onondaga entered into an inter-municipal agreement on March 27, 2012 for the purpose of creating the Greater Syracuse Property Development Corporation, a not-for-profit corporation, operating as the Greater Syracuse Land Bank (Land Bank) under the New York Land Bank Act of 2011.

The purpose of the Land Bank is to address problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax-delinquent properties to productive use. In the long term, the improvement of these properties has the potential to increase property tax assessment values and increase the related property tax levy revenue for the School District. In the short term, when a property is purchased and ownership transferred to the Land Bank, the property becomes tax exempt and the value of the property is removed from the tax levy reducing the School District's property tax revenue.

### *Inter-Municipal Agreements*

The Syracuse City School District, the City of Syracuse and the County of Onondaga also entered into an inter-municipal agreement effective July 1, 2015, consolidating the School District's purchasing functions with the City of Syracuse and the County of Onondaga. This shared services arrangement has yielded increased efficiency, accuracy and compliance as well as cost savings from bulk purchasing.

### *Joint Schools Construction Board*

In January 2006, the New York State Legislature (the Legislature) authorized the Syracuse Cooperative School Reconstruction Act and the Joint City Schools Construction Board to act as an agent of the City and the Board of Education to implement various school reconstruction projects.

The initial group of projects (JSCB Phase I) authorized by the State included renovations totaling \$150 million for 6 schools – Bellevue Academy at Shea, Clary Middle School, Dr. Weeks Elementary School, H.W. Smith Pre-K – 8, Institute of Technology and PSLA at Fowler High School, that were completed in 2009. These projects were financed through the issuance of \$127.6 million of SIDA Facility Revenue Bonds and the School District receives Building Aid from the State that is used to fund the annual debt service principal and interest payments for these bonds. To minimize the interest costs on these debt issuances, in April 2017, JSCB completed a refunding of Phase I Series 2008 bonds in order to take advantage of favorable interest rates, realizing a net savings of \$3.4 million in debt service costs over the remaining life of the bonds. Additionally, in February 2021, JSCB completed a refunding of Phase I Series 2010 and 2011A bonds to take advantage of favorable interest rates, realizing a net savings of \$3.0 million in debt service costs over the next 7 years. The School District will use these cost savings to complete additional renovation and improvement projects.

In 2013, the State approved an amendment to the Syracuse Cooperative School Reconstruction Act authorizing a second group of reconstruction projects (JSCB Phase II) for an amount not to exceed \$300 million. The Phase II Financial Plan currently includes renovations at 13 school buildings at a total estimated cost of \$291.5 million. JSCB Phase II construction commenced in mid-2018 and is anticipated to be completed in late 2023. JSCB Phase II schools include Bellevue Elementary School, Ed Smith, Frazer and Huntington Pre-K-8 Schools, Brighton Academy, Clary, Expeditionary Learning, Grant and Syracuse STEM at Blodgett Middle Schools, as well as Corcoran, Henninger, PSLA at Fowler and Nottingham High Schools. \$251.7 million of bonds have been issued to finance JSCB Phase II projects with no additional borrowings anticipated to be needed to complete JSCB Phase II.

## **LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT (Continued)**

In 2021, the Legislature approved a second amendment to the Syracuse Cooperative School Reconstruction Act authorizing a third group of reconstruction projects (JSCB Phase III), which was signed into law on November 15, 2021 by the Governor. JSCB Phase III includes \$300 million for reconstruction projects at 10 schools – Delaware Primary, Seymour Dual Language Academy and Webster Elementary Schools, Lincoln, Roberts, Syracuse Latin and Syracuse STEM at Blodgett Pre-K-8 Schools, as well as Corcoran, Henninger and Nottingham High Schools. Work would begin in 2024, with anticipated completion by the end of 2031.

### **STEAM High School**

In January 2020, the State committed \$73 million of Lease Aid to transform the former Central Tech High School into the State's first regional high school and workforce training center focusing on the areas of science, technology, engineering, arts and mathematics (STEAM) to provide instruction to students in the Syracuse City School District, Onondaga, Cortland, and Madison Board of Educational Services (OCM BOCES) component districts and the Central New York region.

The City, the School District, Onondaga County and OCM BOCES are actively collaborating on making the region's first-ever STEAM high school a reality. The STEAM High School, operated by the School District, would graduate approximately 1,000 students a year who are on a career path to fill new technology-related jobs in Central New York. Approximately 60% of the admission slots will be reserved for Syracuse residents, with 40% of the slots allocated for students in the surrounding towns and county.

A key element to the success of the high school will be partnerships with local businesses and institutes of higher education. There is a unique opportunity for collaboration amongst all stakeholders interested in a thriving urban core in Central New York. Working in partnership with CenterState CEO and MACNY, this high school will bring together top companies and arts organizations in the respective fields of STEAM. These industry leaders will provide their expertise and offer mentoring, internships, and job shadows. Central New York's colleges and universities have some of the most vital resources available in all STEAM disciplines. Students will be able to take advantage of these resources and, in some cases, take college courses alongside university and college students.

The curriculum is currently under development with proposed programs including visual arts such as 2D and 3D art, performing arts such as theater/technology, dance and music/recording, creative writing, robotics/automation controls engineering, construction management/engineering, fine arts such as entertainment engineering, media technology and design as well as business entrepreneurship.

### **State Funding for School Districts**

In New York, the adequate and equitable funding of school districts by the State has been challenged, which resulted in a school-based funding lawsuit specifically addressing the adequacy of funding for New York City based schools. Several courts, including the New York State Court of Appeals, determined that the current funding formula in New York State does not provide adequate funding for New York City and therefore students are unable to receive a sound basic education. On November 20, 2006, the New York State Court of Appeals issued a decision indicating a lack of adequate funding for New York City Schools.

As a result, in April 2007, the New York State Legislature enacted the State Education Budget and Reform Act of 2007 (Education Act) to offer resources and aid to the highest-need students in the lowest-performing schools. The Legislature passed a budget for the 2008-09 school year that fully funded the aid increases contained in the Education Act.

## **LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT (Continued)**

However, school aid was then frozen in the 2009-10 budget due to the State's fiscal challenges and remained frozen through the 2011-12 school year. Modest increases in school aid were then provided beginning in 2012-13 continuing through the onset of the pandemic. The State experienced a significant reduction in revenue and increase in costs due to the pandemic and as a result replaced a portion of its State Aid funding to school districts with Federal CARES Act grant funding for the 2020-21 school year.

During this period of moderate increases in school-based funding, in February 2014, New Yorkers for Students' Educational Rights (NYSER) filed a lawsuit (*NYSER v. State of New York*) on behalf of a group of parents and students from across the State alleging that the State was not providing sufficient funds to schools to allow for all schools to provide the required sound basic education to all students throughout the State. The New York Court of Appeals ruled on this lawsuit in June 2017 determining that the lawsuit could only move forward to trial on behalf of students in New York City and Syracuse, as opposed to all students, because the lawsuit alleged specific deficiencies in these specific districts.

A settlement was reached in this case in October 2021. The agreement requires the State to increase funding for Foundation Aid to school districts over the next three years so that Foundation Aid will be fully funded by fiscal year 2024. The anticipated increases in funding are \$19.8 billion or 30% in 2022, \$21.3 billion or 50% in 2023, and finally \$23.2 billion in 2024, fully funding Foundation Aid for all school districts statewide.

### **Federal Funding for School Districts**

In response to the economic and social impacts of the COVID-19 pandemic on states nationwide, the U.S. Congress passed the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief (ESSER) Fund in March 2021. The State has been allocated nearly \$9 billion under the ARP Act. The School District's portion of this allocation is \$108.9 million. ARP Act funding must be used by September 30, 2024.

The ARP Acts funding is planned to be used for:

- Acceleration of Instruction - in response to the effects of lost instructional time for students during the COVID-19 pandemic, the School District plans to support a variety of initiatives to accelerate instruction. Beginning in the summer of 2021, the School District implemented full day summer school programming with a focus on enrichment activities. The District also implemented academic intervention services focused in the core academic areas of reading and mathematics, supports for students with special needs and language and literacy supports for English Language Learners. For the 2023-24 school year, students are planned to have increased exposure to field trips, additional instructional supplies and sensory materials.
- Social Emotional Supports - funding will help provide students with additional access to psychologists, social workers, and counselors as they adjust to in person instruction and recover from the COVID-19 pandemic. The District is also providing instructional materials, supplemental materials and textbooks that are supportive of students' social emotional needs and culturally inclusive instruction. An ongoing attendance initiative to address chronic absenteeism continues for the 2023-24 school year and the District will partner with community agencies to provide additional supports for students.
- Air Quality and Safety - to help enhance air quality and safety in our buildings, the School District has purchased additional air purifier filters deployed throughout the District. The District also upgraded HVAC controls and several window replacement projects are underway.

## **LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT (Continued)**

- Technology - to better provide students with technology and connectivity both in school and during unexpected times of remote instruction, the District is purchasing additional mobile hot spots, computers, and various student technology replacements. The District provided laptops for every high school student beginning in 2021-22 and is continuing with implementation for incoming ninth graders in the following years. The District also plans to upgrade its technology infrastructure in order to support the increased demand for virtual instruction options.
- Professional Development - throughout the District, we have increased instructional coaching and support for technology integration. We are offering professional development opportunities in the areas of math and reading intervention, culturally responsive practices, social emotional learning, leadership, project-based learning, and Advanced Placement (AP) course offerings.

The ARP Act also requires school districts to reserve at least 20% of their allocation to address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students' academic, social, and emotional needs and address the disproportionate impact of the coronavirus on economically disadvantaged students, children with disabilities, English learners, racial and ethnic minorities, migrant students, students experiencing homelessness, and children and youth in foster care.

The School District has plans to submit an amendment for ARP funding for approval from the New York State Education Department. The ARP Act amendment incorporates additional technology for all students grades 3-8, additional supplies and materials, as well as funds for community-based organizations to serve our students.

ARP Act monies are non-recurring or “one-time” revenue streams which are being used for a combination of non-recurring and recurring expenditures. Looking ahead, the School District is mindful that a gap will be created in future years’ budgets as these one-time revenue streams are no longer available for the 2024-25 fiscal year. As a result, the School District will need to fill this funding gap through a combination of using fund balance to continue the staffing and services that are of most benefit and by reducing other staffing levels and services in conjunction with the end of these one-time revenue streams.

## **CONTACTING THE SCHOOL DISTRICT FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District’s finances and to demonstrate the School District’s accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact:

The Office of the Chief Financial Officer  
Syracuse City School District  
1025 Erie Blvd. West  
Syracuse, New York 13204-2749

Although the Joint Schools Construction Board (JSCB) is a blended component unit of the School District, JSCB issues a separate financial statement. To obtain this report, please contact:

The Commissioner of Finance  
Joint Schools Construction Board  
City Hall  
Syracuse, New York 13202

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

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	Governmental Activities
<b>ASSETS</b>	
Pooled cash and cash equivalents held by City	\$ 168,664,855
Pooled cash and cash equivalents held by School District	24,971
Pooled Restricted cash and cash equivalents held by City	3,407,962
Pooled Restricted cash and cash equivalents held by School District	151,756
Restricted cash held in trust	12,527,945
Receivables:	
State and Federal aid	79,158,399
Due from other governments	385,151
Due from City	3,528,912
Other	10,011,825
Inventories	1,580,446
Prepaid expenses	261,274
Capital assets, non-depreciable	43,910,734
Capital assets, net of accumulated depreciation/amortization	<u>490,353,924</u>
Total Assets	<u>813,968,154</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources - OPEB	75,506,693
Deferred outflows of resources - TRS Pension	119,431,062
Deferred outflows of resources - ERS Pension	20,981,109
Deferred outflows of resources - Bond Refundings	<u>283,248</u>
Total Deferred Outflows of Resources	<u>216,202,112</u>
<b>LIABILITIES</b>	
Payables:	
Accounts payable	28,436,447
Accrued expenses	2,659,880
Accrued payroll	4,280,323
Due to other governments	1,386,658
Accrued interest	2,155,092
Due to retirement systems	26,663,469
Grant advance	648,155
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	26,054,800
Self-insured employee health plan claims	263,496
Self-insured workers' compensation claims	3,980,462
Lease and SBITA liabilities	442,559
Due and payable in more than one year:	
Bonds payable, net of current portion	278,318,467
Self-insured workers' compensation claims	32,351,813
Compensated absences payable	7,074,526
Total other postemployment benefits	338,425,987
Net pension liability - TRS	22,337,647
Net pension liability - ERS	32,011,516
Lease and SBITA liabilities	<u>639,753</u>
Total Liabilities	<u>808,131,050</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - Lottery Aid	12,950,000
Deferred inflows of resources - TRS Pension	14,750,219
Deferred inflows of resources - ERS Pension	1,805,474
Deferred inflows of resources - OPEB	<u>213,993,295</u>
Total Deferred Inflows of Resources	<u>243,498,988</u>
<b>NET POSITION</b>	
Net investment in capital assets	241,620,272
Restricted	29,005,474
Unrestricted (deficit)	<u>(292,085,518)</u>
Total Net Position	<u>\$ (21,459,772)</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	Expenses	Program Revenues		Change in Net Position	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants & Contributions		
General support	\$ 82,928,317	\$ -	\$ 4,507,753	\$ (78,420,564)	
Instruction	382,137,585	284,432	111,582,062	(270,271,091)	
Pupil transportation	26,644,639	-	1,633,169	(25,011,470)	
Community service	1,506,346	-	1,740,409	234,063	
School food service program	14,017,498	98,850	16,469,371	2,550,723	
Interest	9,484,290	-	-	(9,484,290)	
<b>Total</b>	<b>\$ 516,718,675</b>	<b>\$ 383,282</b>	<b>\$ 135,932,764</b>		<b>(380,402,629)</b>

**GENERAL REVENUES**

General property taxes	63,689,444
Nonproperty taxes	966,746
Use of money and property	2,278,072
Sale of property and compensation for loss	32,787
Miscellaneous	1,674,231
State and local sources	407,684,729
Federal sources	3,547,576
<b>Total General Revenues</b>	<b>479,873,585</b>
Change in Net Position	99,470,956
<b>Total Net Position - beginning of year</b>	<b>(120,930,728)</b>
<b>Total Net Position - end of year</b>	<b>\$ (21,459,772)</b>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

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	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
<b>ASSETS</b>					
CASH:					
Pooled cash and cash equivalents held by City	\$ 168,664,855	\$ -	\$ -	\$ -	\$ 168,664,855
Pooled cash and cash equivalents held by District	24,971	-	-	-	24,971
Pooled restricted cash and cash equivalents held by City	3,407,962	-	-	-	3,407,962
Pooled restricted cash and cash equivalents held by District	-	-	-	151,756	151,756
Restricted cash held in trust	-	-	12,527,945	-	12,527,945
RECEIVABLES:					
Due from other funds	11,787,677	-	-	15,737,719	27,525,396
Due from JSCB Fund	6,057,356	-	-	-	6,057,356
State and Federal aid	42,704,667	31,121,880	-	5,331,852	79,158,399
Due from other governments	385,151	-	-	-	385,151
Due from the City	3,528,912	-	-	-	3,528,912
Other	2,250,181	7,731,073	19,804	10,741	10,011,799
INVENTORY	950,760	-	-	629,686	1,580,446
PREPAID EXPENDITURES	261,274	-	-	-	261,274
<b>Total assets</b>	<b>\$ 240,023,766</b>	<b>\$ 38,852,953</b>	<b>\$ 12,547,749</b>	<b>\$ 21,861,754</b>	<b>\$ 313,286,222</b>
<b>LIABILITIES</b>					
PAYABLES:					
Accounts payable	\$ 17,757,114	\$ 8,586,385	\$ -	\$ 2,092,948	\$ 28,436,447
Accrued expenses	2,579,866	-	80,015	-	2,659,881
Accrued payroll	3,620,986	447,904	-	211,433	4,280,323
Due to other governments	966	1,385,403	-	289	1,386,658
Due to other funds	-	27,525,370	-	-	27,525,370
Due to the General Fund	-	-	6,057,356	-	6,057,356
OTHER LIABILITIES:					
Due to retirement systems	26,663,469	-	-	-	26,663,469
Grant advance	-	648,155	-	-	648,155
Self-insured workers' compensation claims	787,183	-	-	-	787,183
<b>Total liabilities</b>	<b>51,409,584</b>	<b>38,593,217</b>	<b>6,137,371</b>	<b>2,304,670</b>	<b>98,444,842</b>
<b>FUND BALANCE</b>					
NON-SPENDABLE	1,212,034	-	-	629,686	1,841,720
RESTRICTED	3,407,962	259,736	6,410,378	18,927,398	29,005,474
COMMITTED	49,115,185	-	-	-	49,115,185
ASSIGNED	33,055,484	-	-	-	33,055,484
UNASSIGNED	101,823,517	-	-	-	101,823,517
<b>Total fund balance</b>	<b>188,614,182</b>	<b>259,736</b>	<b>6,410,378</b>	<b>19,557,084</b>	<b>214,841,380</b>
<b>Total liabilities and fund balance</b>	<b>\$ 240,023,766</b>	<b>\$ 38,852,953</b>	<b>\$ 12,547,749</b>	<b>\$ 21,861,754</b>	<b>\$ 313,286,222</b>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
 (A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF NET POSITION  
JUNE 30, 2023**

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Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balance	\$ 214,841,380
Capital assets and right-to-use leased assets and SBITAs used in governmental activities are not financial resources and therefore are not reported in the funds.	534,264,658
Losses associated with the refunding of bonds are an other financing use in the fund financial statements, but rather recorded as a deferred outflow of resources over the remaining useful life of the bond.	283,248
Pension related government wide activity:	
Deferred outflows of resources (TRS and ERS)	140,412,171
Net pension liability (TRS and ERS)	(54,349,163)
Deferred inflows of resources (TRS and ERS)	(16,555,693)
Accrued interest not paid and therefore not reported in the funds	(2,155,092)
Deferred inflows - Other postemployment benefits (OPEB)	(213,993,295)
Deferred outflows - Other postemployment benefits (OPEB)	75,506,693
Deferred inflows - Lottery Aid	(12,950,000)
Long-term liabilities, including bonds payable, compensated absences, other employee benefits, postemployment benefits, lease liabilities and SBITA, are not due and payable in the current period and therefore are not reported in the funds.	<u>(686,764,679)</u>
Net position of governmental activities	<u>\$ (21,459,772)</u>

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 63,689,444	\$ -	\$ -	\$ -	\$ 63,689,444
Nonproperty taxes	966,746	-	-	-	966,746
Charges for services	284,432	-	-	-	284,432
Use of money and property	2,080,899	-	196,807	366	2,278,072
Sale of property and compensation for loss	32,417	-	-	370	32,787
Miscellaneous	1,082,705	-	457,179	134,347	1,674,231
State and local sources	407,158,178	36,354,842	-	1,360,814	444,873,834
Federal sources	2,822,828	83,108,550	724,748	15,269,498	101,925,624
Surplus food	-	-	-	908,689	908,689
Sales - School Food Service Program	-	-	-	98,850	98,850
Pass-through New York State funding from the General Fund	-	-	34,616,586	-	34,616,586
Total revenues	<u>478,117,649</u>	<u>119,463,392</u>	<u>35,995,320</u>	<u>17,772,934</u>	<u>651,349,295</u>
<b>EXPENDITURES</b>					
General support	78,796,821	4,263,570	-	8,542,202	91,602,593
Instruction	301,326,481	105,537,722	-	157,280	407,021,483
Pupil transportation	27,226,636	1,544,701	-	-	28,771,337
Community service	-	1,646,132	-	-	1,646,132
Pass-through New York State funding to JSBC Fund	34,616,586	-	-	-	34,616,586
Debt service:					
Principal	625,235	-	20,575,000	3,159,542	24,359,777
Interest	8,411	-	13,075,613	617,825	13,701,849
Cost of sales	-	-	-	7,561,271	7,561,271
Capital outlay	60,507	-	7,053,236	3,585,722	10,699,465
Total expenditures	<u>442,660,677</u>	<u>112,992,125</u>	<u>40,703,849</u>	<u>23,623,842</u>	<u>619,980,493</u>
Excess (deficiency) of revenues over expenditures	<u>35,456,972</u>	<u>6,471,267</u>	<u>(4,708,529)</u>	<u>(5,850,908)</u>	<u>31,368,802</u>
<b>OTHER FINANCING SOURCES AND USES</b>					
Proceeds from leases/SBITAs	60,507	-	-	523,541	584,048
Operating transfers in	7,613,375	215,329	-	8,390,979	16,219,683
Operating transfers out	(8,423,730)	(6,615,482)	(724,748)	(455,723)	(16,219,683)
Total other financing sources (uses)	<u>(749,848)</u>	<u>(6,400,153)</u>	<u>(724,748)</u>	<u>8,458,797</u>	<u>584,048</u>
Net change in fund balance	34,707,124	71,114	(5,433,277)	2,607,889	31,952,850
Fund balance - beginning of year	<u>153,907,058</u>	<u>188,622</u>	<u>11,843,655</u>	<u>16,949,195</u>	<u>182,888,530</u>
Fund balance - end of year	<u>\$ 188,614,182</u>	<u>\$ 259,736</u>	<u>\$ 6,410,378</u>	<u>\$ 19,557,084</u>	<u>\$ 214,841,380</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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Net change in fund balance - Total governmental funds	\$ 31,952,850
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental Activities recognize revenue based on economic resource measurement. Fund activities utilize current financial resources. Revenues and other financing sources reported in the statement of activities, but not reported as revenue in the governmental funds.	
	473,587
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.	18,070,970
Depreciation and amortization are not recorded as an expenditure in the governmental funds, but are recorded in the statement of activities.	(13,139,156)
Payment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	24,359,777
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. In addition, amortization of bond premiums and deferred outflows for bond refundings do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	4,217,559
Some expenses reported in the statement of activities, such as compensated absences (including changes in deferred outflows and inflows) and other employee benefits do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	45,324,392
ERS and TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources that are long-term in nature and therefore not reported in the funds.	(11,204,975)
Proceeds from debt (including leases and SBITAs) are an other financing source in the governmental funds, but a debt issuance increases long-term liabilities in the statement of net position.	<u>(584,048)</u>
Change in net position of governmental activities	<u>\$ 99,470,956</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2023**

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	Private Purpose Trusts
<b>ASSETS</b>	
Restricted cash held by School District	<u>\$ 25,831</u>
Total assets	<u>25,831</u>
<b>LIABILITIES</b>	
Due to other funds	<u>26</u>
Total liabilities	<u>26</u>
<b>NET POSITION</b>	
Held in trust for scholarships - restricted	<u>\$ 25,805</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	Private Purpose Trusts
<b>ADDITIONS</b>	
Contributions	\$ 21,445
Investment income	<u>914</u>
Total additions	<u>22,359</u>
<b>DEDUCTIONS</b>	
Scholarships and awards	<u>25,385</u>
Total deductions	<u>25,385</u>
Change in net position	(3,026)
Net position - beginning of year	<u>28,831</u>
Net position - end of year	<u>\$ 25,805</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City School District of Syracuse, New York (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (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. Significant accounting principles and policies used by the School District are described below.

**A. Financial Reporting Entity**

The City School District of Syracuse, New York is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying basic financial statements are those transactions which comprise school district operations, and are governed by, or significantly influenced by, the Board of Education. Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function. The financial reporting entity includes all funds, functions and organizations over which the School District Officials exercise oversight responsibility and the activities of a blended component unit, the Joint Schools Construction Board.

The reporting entity of the School District is based upon criteria set forth by GASB and therefore, the School District is a blended component unit of the City of Syracuse, New York (the City).

The accompanying financial statements present the activities of the School District including the Extraclassroom Activity Funds (the ECA Funds). The School District accounts for the ECA Funds in the Miscellaneous Special Revenue Fund. Separate audited financial statements (cash basis) of the ECA Funds can be found at the School District's business office and on the School District's website.

*Joint Schools Construction Board Blended Component Unit (JSCB)*

In accordance with the GASB Statements, JSCB is a blended component unit of the School District based on the criteria that JSCB provides services almost exclusively to the School District. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, City Hall, Syracuse, New York 13202. JSCB has a fiscal year which ends June 30.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Basis of Presentation**

#### *Government-wide Financial Statements:*

The Statement of Net Position and the Statement of Activities present financial information about the reporting government as a whole. 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 taxes, State aid, intergovernmental revenues, and other non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

#### *Fund Financial Statements:*

The fund financial statements provide information about the School District's funds and blended component unit, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The School District reports the following major governmental funds and blended component unit:

#### **General Fund**

This is the School District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

#### **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.

#### **Joint Schools Construction Board (JSCB) Blended Component Unit**

The JSCB is a joint venture between the School District and the City. This blended component unit is used to account for transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the School District and the Common Council of the City of Syracuse, New York (the Council) for the construction of new educational facilities in accordance with applicable State and Local laws.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Basis of Presentation (Continued)**

The School District reports the following governmental funds as non-major governmental funds:

#### **School Food Service Fund**

This fund accounts for the financial transactions related to the food service operations of the School District.

#### **Capital Projects Fund**

This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes.

#### **Debt Service Fund**

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term debt of governmental activities. Financing is provided by transfers from the General Fund and the Capital Projects Fund.

#### **Miscellaneous Special Revenue Fund**

This fund accounts for the financial transactions related to the ECA of the School District.

#### **Permanent Fund**

This fund is used to account for trust arrangements in which the School District is the beneficiary of the earnings on the principal.

Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the School District and are not available to be used. The School District reports the following fiduciary fund:

#### **Private Purpose Trusts Fund**

This fund is used to account for assets held by the School District under a trust agreement or a trust equivalent arrangement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. A scholarship is an example of a Private Purpose Trust. Established criteria govern the use of the funds to determine who will receive benefits from the trust.

### **C. Measurement Focus and Basis of Accounting**

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

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

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus and Basis of Accounting (Continued)**

The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within one hundred twenty days after the end of the fiscal year.

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

### **D. Revenue, Expenditures and Expenses**

#### **Property Taxes**

Real property taxes are levied annually by the City Council. Uncollected real property taxes are subsequently enforced by the City. An amount representing uncollected real property taxes must be transmitted by the City to the School District within two years from the return of unpaid taxes to the City. Real property taxes receivable (Due from City) expected to be collected within 120 days of year-end are recognized as revenue. Otherwise, deferred inflows offset amounts due from the City. The City guarantees 100% of the levy to the School District.

#### **Intergovernmental Revenues - Grants**

Revenues and expenditures from Federal and State grants are typically recorded in the general and special revenue funds. The School District follows the policy that an expenditure of funds is the prime factor for determining the release of grant funds; revenue is recognized at the time of the expenditure of funds. If release of grant funds is not contingent upon expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

#### **Program Revenues**

Program revenues include charges for services, and operating/capital grants and contributions that directly relate to a function such as general support, instruction, etc.

#### **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

##### **Governmental Funds - By Character:**

- Current (further classified by function)
- Debt Service
- Debt Issuance Costs
- Cost of Sales
- Capital Outlay

##### **Indirect Expenses**

Indirect expenses are allocated based upon a percentage of governmental fund expenditures by function.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Revenue, Expenditures and Expenses (Continued)**

#### **Interfund Transfers and Interfund Receivables and Payables**

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The School District 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 government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

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

Refer to Note 3 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

#### **Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

### **E. Cash and Cash Equivalents**

The School District's cash and cash equivalents consist of cash on hand, demand deposits, cash held by the City, cash held in trust, and short-term investments with original maturities of three months or less from date of acquisition.

JSCB's cash and cash equivalents consist of restricted cash held for project expenditures/expenses and debt service payments, and the proceeds from bond sales can only be used for the stated purpose of the borrowing. All funds are held in trust in accordance with an indenture trust agreement.

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

Collateral is required for demand and time deposits and certificates of deposit at commercial banks 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 school districts.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **E. Cash and Cash Equivalents (Continued)**

Custodial Credit Risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The Standards direct that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. At June 30, 2023, \$189,717,827 of the bank balances were insured by FDIC, fully collateralized or held in trust in accordance with an indenture agreement.

The School District was invested only in the above-mentioned obligations and, accordingly, was not exposed to any interest rate risk.

All cash and equivalents restricted by external sources are held by the City for the benefit of the School District and are reflected on the books and records of the City.

### **F. Restricted Assets**

Certain assets are classified on the balance sheet as restricted because their use is limited. The proceeds from bond sales can only be used for the stated purpose of the borrowing. Donations to be used toward scholarships in the Private Purpose Trusts Fund and funds supporting ECA Funds in the Miscellaneous Special Revenue Fund are restricted specifically for those purposes.

### **G. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end but not yet received. Major receivable balances for the governmental activities include grants.

In the fund financial statements, receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within ninety days since they would be considered both measurable and available.

### **H. Inventory and Prepaid Items**

Inventories of food and/or supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded at cost on an average cost basis.

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

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **I. Capital Assets (Fixed Assets)**

Capital assets, which include land and land improvements, buildings and improvements, furniture and equipment and vehicles as well as intangibles such as software, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years.

Capital assets also include lease assets and subscription-based information technology arrangements (SBITAs) with a term greater than one year and present value of all future payments of \$50,000 or more. Lease assets and SBITAs are amortized on a straight-line basis over the term of the lease or subscription.

Capital assets are reported at actual cost or estimated historical costs if purchased or constructed. Donated assets are reported at estimated fair market value at the time received. Right-to-use leased assets and SBITAs are reported at the present value of all expected lease or subscription payments.

The School District depreciates/amortizes capital assets using the straight-line method over the estimated useful life of the asset, or the lease term, beginning in the first month after completion or acquisition of the asset. The range of estimated useful lives by type of asset is as follows:

<u>Type of Asset</u>	<u>Estimated Useful Lives</u>
Land improvements	20 years
Buildings and improvements	39 years
Furniture and equipment	6 -10 years
Vehicles	3 - 9 years
Software	5 -10 years
Right-to-use leased asset	Lease term
SBITAs	Subscription term

### **J. Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate financial statement element, *deferred outflows of resources*, which is presented directly after assets and *deferred inflows of resources* which is presented directly after liabilities. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

Deferred inflows of resources – lottery aid relates to advances of lottery revenues received from New York State Department of Education as part of a special legislation to assist with budget restraints. Initial advances totaling \$30,500,000, respectively, include \$20,000,000, \$4,500,000 and \$6,000,000 received during 6/30/2005, 6/30/2006 and 6/30/2008. These advances will be repaid over 30 years at 0% interest by directly reducing each year's state aid respectively of \$666,667, \$150,000 and \$200,000 through 6/30/2035, 6/30/2036 and 6/30/2038.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **K. Compensated Absences**

Compensated absences consist of unpaid vested annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District 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 governmental accounting standards, an accrual for vested sick leave and vacation time is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on contractual provisions.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. These amounts are expensed on a pay-as-you-go basis.

### **L. Other Benefits**

School District employees participate in the New York State and Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS).

In addition to providing pension benefits, the School District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. There are currently approximately 6,500 individuals receiving benefits under the plan. The School District has recorded in the government-wide statement of net position other postemployment benefits totaling \$338,425,987 as of June 30, 2023.

### **M. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, if any, are deposited in the Debt Service Fund or JSCB, a blended component unit, and used to retire debt in the respective fund or unit. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### N. Equity Classifications

#### *Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – reports net position when constraints are placed on the assets or deferred outflows of resources either by (1) external groups such as creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Restricted net position includes the following:

General Fund	\$ 3,407,962
Special Aid Fund	259,736
Joint Schools Construction Board (JSCB)	6,410,378
School Food Service Fund	5,927,216
Capital Projects	11,903,109
Debt Service	965,164
Miscellaneous Special Revenue Fund	114,647
Permanent Fund	17,262
Total restricted net position	<u>\$ 29,005,474</u>

- c. Unrestricted net position - reports the balance of net position that does not meet the definition of restricted or net investment in capital assets and is deemed to be available for general use by the School District.

#### *Fund Statements*

Classification of fund balance reflects spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a governmental fund's net resources. Constraints are broken down into five different classifications: non-spendable, restricted, committed, assigned and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent. In the fund basis statements, there are five classifications of fund balance:

- a. Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory and prepaid expenses recorded in the General Fund of \$1,212,034 and the inventory recorded in the School Food Service Fund of \$629,686.
- b. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The definition of restricted fund balance is the same as restricted net position. In the general fund, restricted fund balance represents restricted cash held by the City. In the remaining funds, all fund balance less any non-spendable portion is restricted to the purpose of that fund.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **N. Equity Classifications (Continued)**

#### *Fund Statements (Continued)*

- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision-making authority, i.e. the Board of Education. As of June 30, 2023, the General Fund had committed fund balance of \$49,115,185 as follows: \$3 million for the phase-in of Montessori at Delaware Primary and the whole-school dual language model of instruction at Seymour Dual Language Academy, \$6,115,185 for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, \$10 million for the STEAM school project, \$10 million for capital projects and \$20 million to maintain a minimum of 4% of the General Fund's operating budget in reserve in accordance with School District policy.
- d. Assigned - Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The Chief Financial Officer (CFO) has been authorized by the Board of Education to assign fund balance. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund.

As of June 30, 2023, the School District's General Fund encumbrances amounted to \$8,055,484, classified as follows:

General Support	\$ 5,931,375
Instruction	2,081,563
Transportation	42,546
Total General Fund encumbrances	<u>\$ 8,055,484</u>

Appropriated fund balance designated during the budgetary process for use to fund operating expenditures in the next fiscal year is also included in Assigned Fund Balance. The School District did not appropriate any fund balance to be used to fund fiscal year 2023-2024 operating expenditures. For the purpose of funding the one-year continuation of certain initiatives or positions created in response to the COVID-19 pandemic, \$25 million of fund balance was assigned for use in balancing future years' budgets when the federal pandemic relief funds are scheduled to be phased-out in the 2024-25 fiscal year.

- e. Unassigned - Includes all other General Fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In addition, unassigned fund balance includes any remaining negative fund balance for funds other than the General Fund.

#### *Order of Use of Fund Balance*

The School District's policy is to apply expenditures against non-spendable 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, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **O. Economic Dependency**

The School District receives significant funding from the U.S. Department of Agriculture, the U.S. Department of Education, the New York State Education Department and other Federal, State, and Local sources. Curtailment of such revenue would have a significant impact on the School District's programs.

### **P. Use of Estimates**

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

## **2. BUDGETS AND BUDGETARY ACCOUNTING**

### **Budget Policies**

- a. The School District administration prepares a proposed budget for approval by the Board of Education and the City for the following governmental fund for which legal (appropriated) budgets are adopted: General Fund.
- b. A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education.
- c. Appropriations are adopted at the program level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year-end unless expended or encumbered. Encumbrances lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

An annual budget is not adopted for the Special Aid Fund. Budgetary controls are established in accordance with grant agreements.

## **3. INTERFUND TRANSACTIONS**

To improve cash management, most disbursements are made from a pooled account in the General Fund. Interfund receivables and payables exist primarily due to this cash management practice, as well as normal delays in processing interfund transfers and reimbursement. Interfund balances and transfers are short term in nature and are typically repaid in less than one year. The following schedule summarizes interfund transactions as of and for the year ended June 30, 2023:

Fund	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 17,845,033	\$ -	\$ 7,613,375	\$ 8,423,730
Special aid	-	27,525,370	215,329	6,615,482
JSCB	-	6,057,356	-	724,748
School food service	2,327,422	-	-	455,723
Capital projects	12,445,133	-	4,623,154	-
Debt service	965,164	-	3,767,825	-
Private purpose trust	-	26	-	-
Total	\$ 33,582,752	\$ 33,582,752	\$ 16,219,683	\$ 16,219,683

There are additional pass-through transactions between the General Fund and the JSCB Fund, and they are reflected as such in the financial statements.

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023:

	<b>Balance at July 1, 2022</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>Balance at June 30, 2023</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Construction in progress	231,520,707	10,115,417	(199,205,715)	42,430,409
<b>Total capital assets, not being depreciated</b>	<b>233,001,032</b>	<b>10,115,417</b>	<b>(199,205,715)</b>	<b>43,910,734</b>
<b>Capital assets, being depreciated:</b>				
Land improvements	7,791,325	3,022,777	(1,455,325)	9,358,777
Buildings and improvements	527,199,350	199,474,147	(6,891,936)	719,781,561
Furniture and equipment	15,205,023	3,807,735	(867,119)	18,145,639
Vehicles	6,889,098	1,913,383	(42,136)	8,760,345
Software	7,022,898	-	(617,791)	6,405,107
<b>Total capital assets, being depreciated</b>	<b>564,107,694</b>	<b>208,218,042</b>	<b>(9,874,307)</b>	<b>762,451,429</b>
<b>Less accumulated depreciation/amortization for:</b>				
Land improvements	(4,345,229)	(206,807)	1,433,882	(3,118,154)
Buildings and improvements	(244,452,841)	(10,153,166)	5,307,236	(249,298,771)
Furniture and equipment	(8,130,131)	(1,448,716)	835,077	(8,743,770)
Vehicles	(5,289,459)	(621,522)	39,499	(5,871,482)
Software	(6,692,565)	(69,578)	617,791	(6,144,352)
<b>Total accumulated depreciation/amortization</b>	<b>(268,910,225)</b>	<b>(12,499,789)</b>	<b>8,233,485</b>	<b>(273,176,529)</b>
<b>Total capital assets, being depreciated, net</b>	<b>295,197,469</b>	<b>195,718,253</b>	<b>(1,640,822)</b>	<b>489,274,900</b>
<b>Right-to-use leased assets, being amortized:</b>				
Buildings	600,504	523,541	(197,387)	926,658
Equipment	1,204,680	-	(260,917)	943,763
<b>Total right-to-use leased assets, being amortized</b>	<b>1,805,184</b>	<b>523,541</b>	<b>(458,304)</b>	<b>1,870,421</b>
<b>Less accumulated amortization for:</b>				
Buildings	(265,964)	(208,894)	197,388	(277,470)
Equipment	(404,877)	(378,610)	260,916	(522,571)
<b>Total accumulated amortization</b>	<b>(670,841)</b>	<b>(587,504)</b>	<b>458,304</b>	<b>(800,041)</b>
<b>Total right-to-use leased assets, being amortized, net</b>	<b>1,134,343</b>	<b>(63,963)</b>	<b>-</b>	<b>1,070,380</b>
<b>Total SBITAs, being amortized</b>	<b>-</b>	<b>60,507</b>	<b>-</b>	<b>60,507</b>
<b>Less total accumulated amortization for SBITAs</b>	<b>-</b>	<b>(51,863)</b>	<b>-</b>	<b>(51,863)</b>
<b>Total SBITAs, being amortized, net</b>	<b>-</b>	<b>8,644</b>	<b>-</b>	<b>8,644</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 529,332,844</b>	<b>\$ 205,778,351</b>	<b>\$ (200,846,537)</b>	<b>\$ 534,264,658</b>

All capital assets including intangibles are being depreciated/amortized over their estimated useful lives, except for land and construction in progress which are not depreciated and right-to-use leased assets and SBITAs which are amortized over the term of the lease and subscription. Depreciation/amortization expense was charged as follows:

Instruction	\$ 10,091,390
Support Services:	
General	2,271,127
Pupil transportation	713,335
School Food Service	63,304
<b>Total depreciation/amortization expense</b>	<b>\$ 13,139,156</b>

## 5. LONG-TERM INDEBTEDNESS

The School District borrows money in order to meet current operating requirements and to acquire or construct buildings and improvements. For acquisition or construction of buildings and improvements this enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount authorized to be collected in future years from taxpayers and others for liquidation of both current and long-term liabilities.

Long-term liability activity for the year ended June 30, 2023:

	Balance at 7/1/2022	Additions	Reductions	Balance at 6/30/2023	Amount due in one year	Due in more than one year
<b>Bonds payable:</b>						
Bonds payable	\$ 290,945,000	\$ -	\$ 23,725,000	\$ 267,220,000	\$ 21,930,000	\$ 245,290,000
Premiums on bonds payable	41,278,067	-	4,124,800	37,153,267	4,124,800	33,028,467
Total bonds payable	<u>332,223,067</u>	<u>-</u>	<u>27,849,800</u>	<u>304,373,267</u>	<u>26,054,800</u>	<u>278,318,467</u>
<b>Other liabilities:</b>						
Compensated absences payable	6,729,516	10,295,960	9,950,950	7,074,526	-	7,074,526
Other postemployment benefits	306,848,622	47,017,303	15,439,938	338,425,987	-	338,425,987
Self-insured employee health plan claims	284,991	49,928,405	49,949,900	263,496	263,496	-
Self-insured workers' compensation claims	40,617,833	164,417	4,449,975	36,332,275	3,980,462	32,351,813
Net pension liability	-	54,349,163	-	54,349,163	-	54,349,163
SBITA liabilities	-	60,507	51,763	8,744	8,744	-
Lease liabilities	1,136,450	523,541	586,423	1,073,568	433,815	639,753
Total other liabilities	<u>355,617,412</u>	<u>162,339,296</u>	<u>80,428,949</u>	<u>437,527,759</u>	<u>4,686,517</u>	<u>432,841,242</u>
Long-term liabilities	<u>\$ 687,840,479</u>	<u>\$ 162,339,296</u>	<u>\$ 108,278,749</u>	<u>\$ 741,901,026</u>	<u>\$ 30,741,317</u>	<u>\$ 711,159,709</u>

Payments on bonds payable, with the exception of JSCB, that pertain to the School District's governmental activities are made by the Debt Service Fund. Liabilities for compensated absences, retirement, leases, and self-insurance claims will be liquidated by the General Fund. SBITAs will be liquidated by the General Fund and Food Service Fund.

### Revenue and Bond Anticipation Notes Payable

The School District may issue Revenue Anticipation Notes, Bond Anticipation Notes and Tax Anticipation Notes, in anticipation of the receipt of revenues and JSCB may issue Bond Anticipation Notes in anticipation of the receipt of revenues. For governmental funds, these notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. Revenue Anticipation and Tax Anticipation Notes represent a liability that will be extinguished by the use of expendable, available resources of the fund. Bond Anticipation Notes represent a liability that will be extinguished by the use of bond proceeds when bonds are issued.

## **5. LONG-TERM INDEBTEDNESS (Continued)**

### **Revenue and Bond Anticipation Notes Payable (Continued)**

No Revenue Anticipation Notes (RANs), Bond Anticipation Notes (BANs) or Tax Anticipation Notes (TANS) were issued or redeemed during the year.

### **Bonds Payable**

Bonds payable included in the accompanying Statement of Net Position represent obligations issued in the name of the City for District purposes and the City of Syracuse Industrial Development Agency for JSCB purposes. These long-term liabilities are full faith and credit debt of the School District. Appropriations are provided for redemption of the obligations and interest thereon in the budget of the School District. Bonds outstanding at June 30, 2023 consisted of the following:

<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2023</u>
December 21, 2017	2024	3.000 - 5.000	\$ 1,080,000
May 15, 2014	2025	2.000 - 5.000	1,660,000
May 28, 2015	2027	4.000 - 5.000	2,620,000
July 12, 2011	2028	5.428	15,000,000
February 1, 2021	2028	5.000	13,045,000
April 20, 2017	2030	3.000 - 5.000	15,290,000
December 21, 2017	2030	3.000 - 5.000	3,445,000
June 23, 2017	2032	3.000 - 5.000	2,230,000
March 15, 2018	2034	3.250 - 5.000	53,920,000
June 20, 2018	2035	3.000 - 5.000	31,720,000
April 11, 2019	2035	4.000 - 5.000	54,115,000
March 3, 2020	2037	4.000 - 5.000	<u>73,095,000</u>
Total bonds outstanding			<u>\$267,220,000</u>

## 5. LONG-TERM INDEBTEDNESS (Continued)

### Bonds Payable (Continued)

Bonds payable as of June 30, 2023 are as follows:

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,930,000	\$ 12,579,988	\$ 34,509,988
2025	22,110,000	11,527,637	33,637,637
2026	22,745,000	10,491,737	33,236,737
2027	34,770,000	9,357,762	44,127,762
2028	18,630,000	7,568,388	26,198,388
2029 – 2033	103,100,000	23,641,162	126,741,162
2034 – 2037	<u>43,935,000</u>	<u>2,863,863</u>	<u>46,798,863</u>
 Totals	 <u>\$ 267,220,000</u>	 <u>\$ 78,030,537</u>	 <u>\$ 345,250,537</u>

To ensure sufficient moneys will be available to pay the principal on the Series 2011B Bonds at maturity in 2027, the JSCB shall make an annual deposit into the Series 2011B Principal Account within 5 business days of the last business day of June each year, commencing in 2023. As of June 30, 2023, deposits equaled \$975,000 in accordance with the required minimum deposit schedule below and are recorded as restricted cash as of that date.

<u>Year</u>	<u>Sinking Fund Deposit</u>
2023	\$ 975,000
2024	3,500,000
2025	3,500,000
2026	3,500,000
2027	3,525,000

Interest and related expenses on all debt for the year was composed of:

Interest paid - capital indebtedness (net of premium)	\$ 13,701,849
Less: Interest accrued in the prior year	(2,347,979)
Amortization of bond premiums	(4,124,800)
Plus: Deferred loss on refunding	100,128
Interest accrued in the current year	2,155,092
Total expense	<u>\$ 9,484,290</u>

## 6. LEASES

The School District leases property, copiers and equipment from various vendors. Lease agreements are summarized as follows:

<u>Description</u>	<u>Inception Date</u>	<u>Term (in months)</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Initial Lease Liability</u>
Copiers	7/1/2021	7 to 48	.05% to 1.04%	\$ 741,028
Mail machines	7/1/2021	42	2.85%	27,607
Property	7/1/2021	18 to 36	.25% to .47%	600,504
Equipment	7/1/2021	48	0.47%	55,368
Copier	1/1/2022	48	1.04%	367,728
Equipment	2/1/2022	48	10.7%	7,867
Equipment	4/1/2022	63	2.55%	66,066
Property	6/1/2023	60	3.70%	523,541

## **6. LEASES (Continued)**

Annual requirements to amortize long-term lease obligations and related interest are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	433,815	21,960	455,775
2025	249,365	15,955	265,320
2026	165,599	10,642	176,241
2027	121,747	6,183	127,930
2028	103,042	1,916	104,958
<b>Total</b>	<b>\$ 1,073,568</b>	<b>\$ 56,656</b>	<b>\$ 1,130,224</b>

## **7. PENSION PLANS**

### New York State and Local Employees' Retirement System (NYSERS)

The School District participates in the New York State and Local Employee's Retirement System (NYSERS) also referred to as New York State and Local Retirement System (NYSERS or the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in NYSERS, 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. NYSERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### **Contributions**

NYSERS is noncontributory except for employees who joined the NYSERS after July 27<sup>th</sup>, 1976, who contribute 3.0% 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% percent of their salary for their entire length of service. Under the authority of NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during NYSERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

#### NYSERS

2023	\$ 4,926,215
2022	\$ 6,405,677
2021	\$ 6,148,415

## **7. PENSION PLANS (Continued)**

### New York State and Local Employees' Retirement System (NYSERS) (Continued)

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the NYSERS' fiscal years ending March 31, 2005 through 2008.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. All amounts due were remitted in full to NYSERS. No portion of the School District's retirement bill was amortized or bonded as of June 30, 2023.

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

At June 30, 2023, the School District reported a net pension liability of \$32,011,516 for its proportionate share of the NYSERS net pension liability. The net pension asset was measured as of March 31, 2023, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2022. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2023, the School District's proportion was 0.1492794%, which was an increase of 0.0066448% from its proportionate share of 0.1426346% as measured at March 31, 2022.

## 7. PENSION PLANS (Continued)

### New York State and Local Employees' Retirement System (NYSERS) (Continued)

For the year ended June 30, 2023, the School District recognized pension expense of \$11,254,899. At June 30, 2023, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,409,477	\$ 899,004
Changes in assumptions	15,546,857	171,822
Net difference between projected and actual earnings on pension plan investments	-	188,066
Changes in proportion and differences between the District's contributions and proportionate share of contributions	465,185	546,582
Contributions subsequent to the measurement date	<u>1,559,590</u>	<u>-</u>
Total	<u>\$ 20,981,109</u>	<u>\$ 1,805,474</u>

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

The net amount of the District's share of balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:

2024	\$ 4,130,851
2025	(1,736,029)
2026	6,440,100
2027	<u>8,781,123</u>
	<u><u>\$ 17,616,045</u></u>

The School District recognized \$1,559,590 as a deferred outflow of resources related to pensions resulting from the School District's contributions made subsequent to the measurement date of March 31, 2023 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

#### **Actuarial Assumptions**

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% compounded annually
Decremnts	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment rate of return	5.9% compounded annually, net of investment expenses

## **7. PENSION PLANS (Continued)**

### New York State Local Employees' Retirement System (NYSERS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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.

### **Actuarial Assumptions (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

#### **Long Term Expected Rate of Return**

<u>Asset Type</u>	<u>Target Allocations</u> <u>in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	32.0	4.30
International Equity	15.0	6.85
Private Equity	10.0	7.50
Real Estate	9.0	4.60
Opportunistic/ARS Portfolio	3.0	5.38
Credit	4.0	5.43
Real Asset	3.0	5.84
Fixed Income	23.0	1.50
Cash	<u>1.0</u>	-
		<u>100.0</u>

#### **Discount Rate**

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

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

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

	<u>1% Decrease (4.9%)</u>	<u>Current Discount (5.9%)</u>	<u>1% Increase (6.9%)</u>
Proportionate share of Net Pension Liability (Asset)	<u>\$ 77,358,104</u>	<u>\$ 32,011,516</u>	<u>\$ (5,880,834)</u>

## **7. PENSION PLANS (Continued)**

### New York State and Local Employees' Retirement System (NYSERS) (Continued)

#### **Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability (asset) (in 000's) of the employers as of March 31, 2023 were as follows:

<u>Pension Plan's Fiduciary Net Position</u>	
Total pension liability	\$ 232,627,259
Plan net position	<u>211,183,223</u>
Net pension liability (asset)	<u>\$ 21,444,036</u>
ERS net position as a percentage of total pension liability	90.78%

### New York State Teachers' Retirement System (NYSTRS)

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for NYSTRS. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

#### **Contributions**

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in NYSTRS more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

## **7. PENSION PLANS (Continued)**

### New York State Teachers' Retirement System (NYSTRS) (Continued)

#### **Contributions (Continued)**

The School District is required to contribute at an actuarially determined rate. The School District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

#### NYSTRS

2023	\$ 21,563,876
2022	\$ 20,209,748
2021	\$ 17,250,303

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

At June 30, 2023, the School District reported a net pension liability of \$22,337,647 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportionate share was 1.164091%, which was an increase of .082989% from its proportionate share of 1.081102% as measured at June 30, 2021.

For the year ended June 30, 2023, the School District recognized pension expense (income) of \$27,091,312. At June 30, 2023 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,407,026	\$ 447,607
Changes in assumptions	43,331,256	8,998,236
Net difference between projected and actual earnings on pension plan investments	28,862,358	-
Changes in proportion	1,973,580	5,304,376
Contributions subsequent to the measurement date	<u>21,856,842</u>	<u>-</u>
Total	<u>\$ 119,431,062</u>	<u>\$ 14,750,219</u>

## **7. PENSION PLANS (Continued)**

### New York State Teachers' Retirement System (NYSTRS) (Continued)

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

The School District recognized \$21,856,842 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2022 which will be recognized as a reduction to the net pension (asset) liability for the year ended June 30, 2024. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan year ending June 30:

2023	16,051,427
2024	8,040,154
2025	(4,214,568)
2026	56,293,490
2027	6,779,455
Thereafter	<u>(125,957)</u>
	<u>\$ 82,824,001</u>

#### **Actuarial Assumptions**

The total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022, using the following actuarial methods and assumptions:

Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2022, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. Active member mortality rates are based on plan member experience. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions and has updated the mortality improvement assumption as of June 30, 2022.

## **7. PENSION PLANS (Continued)**

### New York State Teachers' Retirement System (NYSTRS) (Continued)

#### **Actuarial Assumptions (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2022 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-term expected expected real rate of return in %</u>
Domestic equity	33.0	6.5
International equity	16.0	7.2
Global equity	4.0	6.9
Real Estate equity	11.0	6.2
Private equity	8.0	9.9
Domestic fixed income	16.0	1.1
Global bonds	2.0	0.6
Private debt	2.0	5.3
Real estate debt	6.0	2.4
High-yield bonds	1.0	3.3
Cash equivalents	1.0	(0.3)
		<u>100.0</u>

#### **Discount Rate**

The discount rate used to measure the total pension asset was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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 (asset).

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

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

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Proportionate share of Net Pension Liability (Asset)	<u>\$ 205,963,574</u>	<u>\$ 22,337,647</u>	<u>\$ (132,090,554)</u>

## **7. PENSION PLANS (Continued)**

### New York State Teachers' Retirement System (NYSTRS) (Continued)

#### **Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) (in 000's) of the participating school districts as of June 30, 2022, were as follows:

	<u>Pension Plan's Fiduciary</u>
	<u>Net Position</u>
Total pension liability	\$ 133,883,474
Plan net position	<u>131,964,582</u>
Net pension liability (asset)	<u>\$ 1,918,892</u>
NYSTRS net position as a percentage of total pension liability	98.6%

## **8. OTHER POSTEMPLOYMENT BENEFITS**

#### **Plan Description**

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District's Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

#### **Benefits Provided**

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

#### **Employees Covered by Benefit Terms**

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,644
Active employees	<u>2,820</u>
Total participants	<u>6,464</u>

## **8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

### **Total OPEB Liability**

The School District's total OPEB liability of \$338,425,987 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Reporting Date	6/30/2023
Measurement Date	6/30/2023
Actuarial Valuation Date	7/1/2021
Discount Rate	3.86%
Rate of Compensation Increase	3.00%
Inflation Rate (CPI)	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	7.260 years

The rate used to discount future plan cash flows was updated from 3.69% to 3.86% as of June 30, 2023 based on a review of the Fidelity General Obligation 20-Year AA Municipal Bond Index. The change in discount rate resulted in a decrease in liabilities.

The annual rate of increase in healthcare costs was revised as of June 30, 2023 to better reflect future expectations including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2023\_1f (the Getzen model). A review of published National trend survey data in relation to the retiree health plan offerings was the basis for this change. The revised assumption resulted in an increase in liabilities.

The plan design and contribution changes for future retirees in Collective Bargaining Agreement Units 5, 6, and 11 were reflected for the June 30, 2023 measurement date. These updates resulted in a net decrease in liabilities.

As of the June 30, 2023, an adjustment was made to the annual expected rate of increase in post-65 retiree healthcare costs to account for expected premiums and market conditions by the end of the District's most recent Medicare Advantage contract. This resulted in an increase in the liability.

### **Changes in the Total OPEB Liability**

Balance at June 30, 2022	\$ <u>306,848,622</u>
Changes for the Year:	
Service cost	10,088,781
Interest cost	11,438,195
Changes in benefit terms	(1,521,525)
Differences between expected and actual experience	-
Changes in assumptions or other inputs	25,490,327
Actual benefit payments	(13,918,413)
Net changes	<u>31,577,365</u>
Balance at June 30, 2023	\$ <u>338,425,987</u>

## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86%) or 1 percentage point higher (4.86%) than the current discount rate:

	1% Decrease <u>(2.86%)</u>	Current Rate <u>(3.86%)</u>	1% Increase <u>(4.86%)</u>
Total OPEB Liability	<u>\$ 381,756,357</u>	<u>\$ 338,425,987</u>	<u>\$ 302,028,794</u>

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.037% - 6.75%) or 1 percentage point higher (5.037% - 8.75%) than the current healthcare cost trend rate:

	1% Decrease <u>(3.037% - 6.75%)</u>	Current Rate <u>(4.037% - 7.75%)</u>	1% Increase <u>(5.037% - 8.75%)</u>
Total OPEB Liability	<u>\$ 290,536,731</u>	<u>\$ 338,425,987</u>	<u>\$ 398,367,957</u>

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

For the year ended June 30, 2023, the School District recognized OPEB expense (income) of (\$27,882,483). At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between Expected and Actual Experience	<u>\$ 22,260,580</u>	<u>\$ (171,107,480)</u>
Change of Assumptions	<u>53,246,113</u>	<u>( 42,885,815)</u>
Total	<u>\$ 75,506,693</u>	<u>\$ (213,993,295)</u>

## **8. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The net amount of deferred inflows of resources and deferred outflows of resources will be amortized and recognized as follows:

<u>Fiscal Year Ending</u> <u>June 30:</u>	<u>Amount</u>
2024	\$ (47,887,934)
2025	(47,887,934)
2026	(45,548,136)
2027	710,592
2028	474,228
Thereafter	<u>1,652,582</u>
Total	<u><u>\$(138,486,602)</u></u>

## **9. CONTINGENCIES AND COMMITMENTS**

The School District may be subject to lawsuits in the ordinary conduct of its affairs. The School District does not believe any outstanding items are likely to have a material, adverse effect on the financial statements at June 30, 2023.

Numerous real estate tax certiorari proceedings are presently pending against the City of Syracuse, New York on grounds of alleged inequality of assessment. Adverse decisions to the City could have a substantial impact through the reduction of assessments and tax refunds to successful litigants. The School District is a principal recipient of property taxes levied by the City. Since the outcome of these proceedings cannot presently be determined, no provision for this exposure, if any, has been included in the accompanying basic financial statements.

The School District has a potential liability for employees who have not entered into the Retirement System due to the fact that they were never offered the right to join. Any potential liability relating to this contingency is not determinable at June 30, 2023.

The School District 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 School District's administration believes disallowances, if any, will be immaterial.

## **10. SELF-INSURANCE**

The School District is primarily self-insured for medical, dental, workers' compensation and general liability claims. Property coverage exists for all City Schools for losses in excess of \$250,000 per occurrence. Self-insured expenditures are expensed when paid. All future liabilities for employee medical, dental, workers' compensation and judgments and claims are recorded as liabilities. Liabilities accrued include an estimate of pending claims and claims incurred but not reported.

The following represents changes in those aggregate liabilities for the year ended June 30, 2023:

	<u>Medical</u>	<u>Workers' Compensation</u>
June 30, 2021	\$ 1,068,859	\$ 33,751,591
Claims, net of payments for all claims	<u>(783,868)</u>	<u>6,866,242</u>
June 30, 2022	\$ 284,991	\$ 40,617,833
Claims, net of payments for all claims	<u>(21,495)</u>	<u>(4,285,558)</u>
June 30, 2023	<u>\$ 263,496</u>	<u>\$ 36,332,275</u>

The School District believes the provisions, as described in Note 5, are adequate to cover the liability for claims based upon current available information but these estimates may be more or less than the amount ultimately paid when claims are settled.

## **11. SUBSEQUENT EVENTS**

In June 2023, the Legislature approved a third amendment to the Syracuse Cooperative School Reconstruction Act authorizing an increase to the total cost for the third group of reconstruction projects (JSCB Phase III) from \$300 million to \$400 million which was signed into law on October 25, 2023. JSCB Phase III includes reconstruction projects at 10 schools – Delaware Primary, Seymour Dual Language Academy and Webster Elementary Schools, Lincoln, Roberts, Syracuse Latin and Syracuse STEM at Blodgett Pre-K-8 Schools, as well as Corcoran, Henninger and Nottingham High Schools.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
 (A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (UNAUDITED)  
 FOR THE YEAR ENDED JUNE 30, 2023

	General Fund							
	Budgeted Amounts			Actual	Add: Current Year Encumbrances	Total Current Year Revenue, Expenditures and Encumbrances		Budget Variance Favorable (Unfavorable)
	Original	Interfunctional Transfers	Final					
<b>REVENUES</b>								
General property taxes	\$ 63,050,046	\$ -	\$ 63,050,046	\$ 63,689,444	\$ -	\$ 63,689,444	\$ 639,398	
Nonproperty taxes	725,000	-	725,000	966,746	-	966,746	241,746	
Charges for services	205,000	-	205,000	284,432	-	284,432	79,432	
Use of money and property	75,000	-	75,000	2,080,899	-	2,080,899	2,005,899	
Sale of property and compensation for loss	50,250	-	50,250	32,417	-	32,417	(17,833)	
Miscellaneous	768,636	-	768,636	1,082,705	-	1,082,705	314,069	
State and local sources	404,841,620	-	404,841,620	407,158,178	-	407,158,178	2,316,558	
Federal sources	1,085,000	-	1,085,000	2,822,828	-	2,822,828	1,737,828	
Total revenues	470,800,552	-	470,800,552	478,117,649	-	478,117,649	7,317,097	
<b>OTHER SOURCES</b>								
Lease/SBITA liabilities issued	-	-	-	60,507	-	60,507	60,507	
Operating transfers in	9,985,788	-	9,985,788	7,613,375	-	7,613,375	(2,372,413)	
Total revenues and other sources	480,786,340	-	480,786,340	485,791,531	-	485,791,531	5,005,191	
<b>EXPENDITURES AND ENCUMBRANCES</b>								
General support	92,541,140	3,500,000	96,041,140	78,796,821	5,931,375	84,728,196	11,312,944	
Instruction	325,956,528	(5,500,000)	320,456,528	301,326,481	2,081,563	303,408,044	17,048,484	
Pupil transportation	27,891,937	-	27,891,937	27,226,636	42,546	27,269,182	622,755	
Pass-through New York State funding to JSCB	34,625,613	-	34,625,613	34,616,586	-	34,616,586	9,027	
Debt service	422,324	-	422,324	633,646	-	633,646	(211,322)	
Capital outlay	-	-	-	60,507	-	60,507	(60,507)	
Total expenditures and encumbrances	481,437,542	(2,000,000)	479,437,542	442,660,677	8,055,484	450,716,161	28,721,381	
<b>OTHER USES</b>								
Operating transfers out	6,423,731	2,000,000	8,423,731	8,423,730	-	8,423,730	1	
Total expenditures and other uses	487,861,273	-	487,861,273	451,084,407	8,055,484	459,139,891	28,721,382	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES	\$ (7,074,933)	\$ -	\$ (7,074,933)	\$ 34,707,124	\$ (8,055,484)	\$ 26,651,640	\$ 33,726,573	

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**

(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)**  
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Last 10 Fiscal Years
<b>Total OPEB Liability</b>											
Service cost	\$ 10,088,781	\$ 12,988,416	\$ 8,283,401	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347					
Interest	11,438,195	7,125,017	7,094,705	8,564,800	23,616,910	22,589,595					
Changes of benefit terms	(1,521,525)	(17,300,024)	8,631,106	-	-	-					
Differences between expected and actual experience	-	15,067,237	19,148,021	(389,052,209)	(2,242,757)	(314,221)					
Changes in assumptions	25,490,327	(47,231,871)	32,233,001	28,637,682	(19,845,230)	(5,655,185)					
Benefit payments	(13,918,413)	(13,678,239)	(13,617,053)	(12,918,652)	(17,693,310)	(18,514,661)					
<b>Total change in total OPEB liability</b>	<b>31,577,365</b>	<b>(43,029,464)</b>	<b>61,773,181</b>	<b>(356,978,179)</b>	<b>3,181,043</b>	<b>17,208,875</b>					
<b>Total OPEB liability - beginning</b>	<b>306,848,622</b>	<b>349,878,086</b>	<b>288,104,905</b>	<b>645,083,084</b>	<b>641,902,041</b>	<b>624,693,166</b>					
<b>Total OPEB liability - ending</b>	<b>\$ 338,425,987</b>	<b>\$ 306,848,622</b>	<b>\$ 349,878,086</b>	<b>\$ 288,104,905</b>	<b>\$ 645,083,084</b>	<b>\$ 641,902,041</b>					
<b>Covered-employee payroll</b>	<b>\$ 280,461,140</b>	<b>\$ 264,719,123</b>	<b>\$ 233,839,973</b>	<b>\$ 229,649,395</b>	<b>\$ 225,440,334</b>	<b>\$ 239,120,856</b>					
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>120.7%</b>	<b>115.9%</b>	<b>149.6%</b>	<b>125.5%</b>	<b>286.1%</b>	<b>268.4%</b>					

**Notes to schedule:**

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The actuarial cost method used is Entry Age Normal.

As of the June 30, 2023 measurement date, the discount rate was revised from 3.69% to 3.86%. This resulted in a decrease in the liability.

As of the June 30, 2023 measurement date, the health plan and benefit contributions were revised for results of collective bargaining agreement settlements. This resulted in a decrease in the liability.

As of the June 30, 2023 measurement date, the annual rate of increase in healthcare costs was revised to better reflect future expectations. This resulted in an increase in the liability.

As of the June 30, 2023 measurement date, an adjustment was made to the annual expected rate of increase in post-65 retiree healthcare costs to account for expected premiums and market conditions by the end of the District's most recent Medicare Advantage contract. This resulted in an increase in the liability.

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**

(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
 FOR THE YEAR ENDED JUNE 30, 2023

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>										
Proportion of the net pension liability (asset)	0.1492794%	0.1426346%	0.1508623%	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%	0.1295850%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Proportionate share of the net pension liability (asset)	\$ 32,012	\$ (11,660)	\$ 150	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238	\$ 4,378	
Covered-employee payroll	\$ 50,406	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	63.51%	-25.14%	0.35%	86.23%	24.67%	10.65%	32.92%	57.28%	13.08%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%	
<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>										
Proportion of the net pension liability (asset)	1.164091%	1.081102%	1.147097%	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%	1.072093%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Proportionate share of the net pension liability (asset)	\$ 22,338	\$ (187,345)	\$ 31,697	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)	\$ (119,425)	
Covered-employee payroll	\$ 212,409	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.52%	-91.04%	17.27%	-15.18%	-10.76%	-4.80%	6.95%	-69.17%	-75.41%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
 (A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 4,926	\$ 6,406	\$ 6,148	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656	\$ 5,817	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Contributions in relation to the contractually required contribution	<u>4,926</u>	<u>6,406</u>	<u>6,148</u>	<u>5,898</u>	<u>5,984</u>	<u>5,650</u>	<u>5,409</u>	<u>5,656</u>	<u>5,817</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered-employee payroll	\$ 50,406	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468	
Contributions as a percentage of covered-employee payroll	9.77%	13.81%	14.24%	12.96%	13.73%	13.07%	13.76%	15.25%	17.38%	
<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 21,564	\$ 20,210	\$ 17,250	\$ 20,169	\$ 18,028	\$ 20,788	\$ 23,283	\$ 27,692	\$ 25,734	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Contributions in relation to the contractually required contribution	<u>21,564</u>	<u>20,210</u>	<u>17,250</u>	<u>20,169</u>	<u>18,028</u>	<u>20,788</u>	<u>23,283</u>	<u>27,692</u>	<u>25,734</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered-employee payroll	\$ 212,409	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365	
Contributions as a percentage of covered-employee payroll	10.15%	9.82%	9.40%	10.36%	9.50%	11.72%	13.28%	17.54%	16.25%	

## **SUPPLEMENTARY INFORMATION**

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	School Food Service	Capital Projects	Debt Service	Miscellaneous Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Pooled restricted cash and cash equivalents held by District	\$ -	\$ -	\$ -	\$ 134,494	\$ 17,262	\$ 151,756
Receivables:						
Due from other funds	2,327,422	12,445,133	965,164	-	-	15,737,719
State and Federal aid receivables	4,304,297	1,027,555	-	-	-	5,331,852
Other	10,554	-	-	187	-	10,741
Inventory	629,686	-	-	-	-	629,686
<b>Total assets</b>	<b>\$ 7,271,959</b>	<b>\$ 13,472,688</b>	<b>\$ 965,164</b>	<b>\$ 134,681</b>	<b>\$ 17,262</b>	<b>\$ 21,861,754</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 503,335	\$ 1,569,579	\$ -	\$ 20,034	\$ -	\$ 2,092,948
Accrued payroll	211,433	-	-	-	-	211,433
Due to other governments	289	-	-	-	-	289
<b>Total liabilities</b>	<b>715,057</b>	<b>1,569,579</b>	<b>-</b>	<b>20,034</b>	<b>-</b>	<b>2,304,670</b>
<b>FUND BALANCE</b>						
Non-spendable	629,686	-	-	-	-	629,686
Restricted	5,927,216	11,903,109	965,164	114,647	17,262	18,927,398
<b>Total fund balance</b>	<b>6,556,902</b>	<b>11,903,109</b>	<b>965,164</b>	<b>114,647</b>	<b>17,262</b>	<b>19,557,084</b>
<b>Total liabilities and fund balance</b>	<b>\$ 7,271,959</b>	<b>\$ 13,472,688</b>	<b>\$ 965,164</b>	<b>\$ 134,681</b>	<b>\$ 17,262</b>	<b>\$ 21,861,754</b>

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES- NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	School Food Service	Capital Projects	Debt Service	Miscellaneous Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Use of money and property	\$ 147	\$ -	\$ -	\$ -	\$ 219	\$ 366
Sale of property and compensation for loss	370	-	-	-	-	370
Miscellaneous	-	-	-	134,347	-	134,347
State and local sources	291,184	1,069,630	-	-	-	1,360,814
Federal sources	15,269,498	-	-	-	-	15,269,498
Surplus food	908,689	-	-	-	-	908,689
Sales - School Food Service Program	98,850	-	-	-	-	98,850
<b>Total revenues</b>	<b>16,568,738</b>	<b>1,069,630</b>	<b>-</b>	<b>134,347</b>	<b>219</b>	<b>17,772,934</b>
<b>EXPENDITURES</b>						
General Support	8,542,202	-	-	-	-	8,542,202
Instruction	-	-	-	157,280	-	157,280
Principal	9,542	-	3,150,000	-	-	3,159,542
Interest	-	-	617,825	-	-	617,825
Cost of sales	7,561,271	-	-	-	-	7,561,271
Capital outlay	523,541	3,062,181	-	-	-	3,585,722
<b>Total expenditures</b>	<b>16,636,556</b>	<b>3,062,181</b>	<b>3,767,825</b>	<b>157,280</b>	<b>-</b>	<b>23,623,842</b>
Excess (deficiency) of revenues over expenditures	(67,818)	(1,992,551)	(3,767,825)	(22,933)	219	(5,850,908)
<b>OTHER FINANCING SOURCES AND USES</b>						
Proceeds from leases	523,541	-	-	-	-	523,541
Operating transfers in	-	4,623,154	3,767,825	-	-	8,390,979
Operating transfers out	(455,723)	-	-	-	-	(455,723)
<b>Total other financing sources (uses)</b>	<b>67,818</b>	<b>4,623,154</b>	<b>3,767,825</b>	<b>-</b>	<b>-</b>	<b>8,458,797</b>
Net change in fund balance	-	2,630,603	-	(22,933)	219	2,607,889
Fund balance - beginning of year	6,556,902	9,272,506	965,164	137,580	17,043	16,949,195
<b>Fund balance - end of year</b>	<b>\$ 6,556,902</b>	<b>\$ 11,903,109</b>	<b>\$ 965,164</b>	<b>\$ 114,647</b>	<b>\$ 17,262</b>	<b>\$ 19,557,084</b>

## **OTHER INFORMATION**

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
 (A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
 CAPITAL PROJECTS FUND- SCHEDULE OF PROJECT EXPENDITURES (UNAUDITED)  
 FOR THE YEAR ENDED JUNE 30, 2023

Project Title	Project Status	Expenditures to Date						Unexpended (Overexpended) Balance	Methods of Financing						Fund Balance June 30, 2023
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Proceeds of Obligations	State Sources	Federal Sources	Local Sources	Total	Transfer to Debt Service Fund			
SSBA - SSIP1.3	Open	\$ 5,067,192	\$ 5,067,192	\$ 4,344,241	\$ 11,418	\$ 4,355,659	\$ 711,533	\$ -	\$ 4,355,659	\$ -	\$ -	\$ 4,355,659	\$ -	\$ -	
SSBA - SSIP2.2	Open	6,576,426	6,576,426	155,931	1,193,593	1,349,524	5,226,902	-	1,134,593	-	-	1,134,593	-	(214,931)	
SSBA - SSIP3.1	Closed	292,099	181,869	181,869	-	181,869	-	-	181,869	-	-	181,869	-	-	
Fowler Concession Stand	Open	1,163,000	1,163,000	975,833	63,692	1,039,525	123,475	-	-	-	1,163,000	1,163,000	-	123,475	
Corcoran Athletic Field	Closed	3,000,000	2,154,101	1,550,977	603,124	2,154,101	-	-	-	-	2,154,101	2,154,101	-	-	
Elementary Playgrounds	Closed	250,000	248,184	168,633	79,551	248,184	-	-	248,184	-	-	248,184	-	-	
ITC Stadium	Open	-	9,000,000	-	194,558	194,558	8,805,442	-	-	570,654	570,654	-	376,096		
Nottingham Athletic Field	Open	-	3,000,000	-	733,667	733,667	2,266,333	-	-	3,000,000	3,000,000	-	2,266,333		
ARPA Window Projects	Open	-	18,250,000	-	182,578	182,578	18,067,422	-	-	182,578	2,440,576	2,623,154	-	2,440,576	
All other various	Open	7,636,316	9,352,137	-	-	-	9,352,137	-	-	-	6,911,560	6,911,560	-	6,911,560	
TOTAL		\$ 23,985,033	\$ 54,992,909	\$ 7,377,484	\$ 3,062,181	\$ 10,439,665	\$ 44,553,244	\$ -	\$ 5,920,305	\$ 182,578	\$ 16,239,891	\$ 22,342,774	\$ -	\$ 11,903,109	

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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Capital assets, net	\$ 534,264,658
Add:	
Deferred loss on refunding of debt	283,248
Deduct:	
Short-term portion of lease and SBITA liabilities	442,559
Long-term portion of lease and SBITA liabilities	639,753
Short-term portion of bonds payable	26,054,800
Long-term portion of bonds payable	278,318,467
Less: unspent bond proceeds	<u>(12,527,945)</u>
Net investment in capital assets	<u>\$ 241,620,272</u>

**REQUIRED REPORTS UNDER UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 13, 2023

To the Board of Education of the  
City School District of Syracuse, 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 City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 13, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

December 13, 2023

To the Board of Education of the  
City School District of Syracuse, New York:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City School District of Syracuse, New York's (the School District), a blended component unit of the City of Syracuse, New York, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed-through NYS Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program (NSLP)	10.555	N/A	\$ 908,689
Cash Assistance			
School Breakfast Program (SBP)	10.553	N/A	4,088,301
National School Lunch Program (NSLP)	10.555	N/A	8,796,660
After School Snack Program	10.555	N/A	71,696
Supply Chain Assistance	10.555	N/A	373,807
Summer Food Service Program for Children (SFSP)	10.559	N/A	483,888
Fresh Fruit and Vegetable Program	10.582	N/A	734,090
Total Cash Assistance			<u>14,548,442</u>
Total Child Nutrition Cluster			<u>15,457,131</u>
Local Food for Schools Cooperative Agreement Program	10.185		<u>49,078</u>
COVID-19 Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	<u>32,636</u>
Child Nutrition Discretionary Grants Limited Availability			
CN Equipment Assistance Grants	10.579	0005210027	436,807
CN Equipment Assistance Grants	10.579	0005220074	68,777
Total Child Nutrition Discretionary Grants Limited Availability			<u>505,584</u>
Passed-through NYS Department of Health:			
Child and Adult Care Food Program (CACFP)	10.558	N/A	<u>639,342</u>
<b>Total U.S. Department of Agriculture</b>			<u>16,683,771</u>
<b>U.S. Department of Justice</b>			
Direct:			
Bureau of Justice Assistance STOP School Violence Program	16.839	N/A	<u>412,929</u>
<b>Total U.S. Department of Justice</b>			<u>412,929</u>
<b>U.S. Department of Education</b>			
Passed-through Insight Education:			
Teacher and School Leader Incentive Grant	84.374A	N/A	<u>427,053</u>
Passed-through Onondaga Cortland Madison Counties BOCES:			
Adult Education - Basic Grants to States			
WIOA - Title II Correction Education Service Grant	84.002A	N/A	<u>58,771</u>
Passed-through NYS Higher Education Services Corporation:			
Gaining Early Awareness and Readiness for Undergrad Programs NYGEAR UP	84.334S	C12393GG	<u>57,665</u>

The accompanying notes to the schedule of federal awards are an integral part of this schedule.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**  
(Continued)

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Education (Continued)</b>			
Passed-through NYS Department of Education:			
Adult Education - Basic Grants to States			
WIOA, Title 2, Adult Education & Lit	84.002A	2338234405	124,814
WIOA, Title 2, Adult Education & Lit	84.002A	2338234406	117,551
WIOA, Title 2, Adult Education & Lit	84.002A	2338234408	138,538
WIOA, Title 2, Adult Education & Lit	84.002A	2338234407	123,590
WIOA-Title II Adult Basic	84.002A	2338223168	3,483
WIOA-Title II Adult Basic	84.002A	2338233168	219,201
WIOA-Title II English Literacy & Civics	84.002A	0040234200	255,514
Total Adult Education - Basic Grants to States			<u>982,691</u>
Title I, Grants to Local Educational Agencies (LEAs)			
Title I, Part A	84.010A	0021222165	666,754
Title I, Part A	84.010A	0021232165	16,135,967
Title I, Part D	84.010A	0016222165	(11,448)
Title I, Part D	84.010A	0016232165	330,699
Title I, School Improvement	84.010A	0011222006	130,949
Title I, School Improvement	84.010A	0011232006	848,193
Title I, School Improvement	84.010A	0011224006	1,104
Title I, School Improvement	84.010A	0011226006	18,445
Title I, School Improvement	84.010A	0011236006	154,608
Title I, School Improvement	84.010A	0011221006	21,700
Title I, School Improvement	84.010A	0011231006	93,356
Title I, School Improvement	84.010A	0011234006	300,000
Title I, School Improvement	84.010A	0011238006	45,030
Title I, Integration Project	84.010A	0011227140	14,406
Title I, Integration Project	84.010A	0011237140	340,314
Total Title I Grants to Local Educational Agencies (LEAs)			<u>19,090,077</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)			
IDEA - Part B, Section 611	84.027A	0032220656	18,429
IDEA - Part B, Section 611	84.027A	0032230656	6,363,874
COVID-19 American Rescue Plan Section 611	84.027X	5532220656	708,101
Total Special Education - Grants to States (IDEA, Part B)			<u>7,090,404</u>
Special Education - Preschool Grants (IDEA, Preschool)			
IDEA - Part B, Section 619	84.173A	0033210656	1,203
IDEA - Part B, Section 619	84.173A	0033220656	348,078
COVID-19 American Rescue Plan - IDEA Part B, Section 619	84.173X	5533220656	69,107
Total Special Education - Preschool Grants (IDEA, Preschool)			<u>418,388</u>
Total Special Education Cluster (IDEA)			<u>7,508,792</u>
Career and Technical Education - Basic Grants to States (Perkins V)			
Perkins IV CTEIA	84.048A	8000220010	<u>329,877</u>
Total Career and Technical Education - Basic Grants to States (Perkins V)			<u>329,877</u>
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	84.196A	0212223033	9,376
Education for Homeless Children and Youth	84.196A	0212233033	250,000
Total Education for Homeless Children and Youth			<u>259,376</u>

The accompanying notes to the schedule of federal awards are an integral part of this schedule.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**  
(Continued)

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Education (Continued)</b>			
Passed-through NYS Department of Education (Continued):			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287C	0187227119	(2,347)
Twenty-First Century Community Learning Centers	84.287C	0187238055	<u>938,618</u>
Total Twenty-First Century Community Learning Centers			<u>936,271</u>
English Language Acquisition State Grants			
Title III, Part A Limited English Proficiency	84.365A	0293222165	119,962
Title III, Part A Limited English Proficiency	84.365A	0293232165	<u>331,617</u>
Total English Language Acquisition State Grants			<u>451,579</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Title II, Part A	84.367A	0147222165	1,521,081
Title II, Part A	84.367A	0147232165	<u>943,755</u>
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			<u>2,464,836</u>
Student Support and Academic Enrichment Program			
Title IV, Part A	84.424A	0204222165	378,520
Title IV, Part A	84.424A	0204232165	<u>983,548</u>
Total Student Support and Academic Enrichment Program			<u>1,362,068</u>
Education Stabilization Fund (ESF)			
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act (ESSER II) Fund	84.425D	5891212165	25,584,295
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880212165	20,777,557
COVID-19 ARP Homeless I	84.425W	5212213033	82,855
COVID-19 ARP Homeless II	84.425W	5218212165	<u>85,533</u>
Total Education Stabilization Fund (ESF)			<u>46,530,240</u>
Direct:			
Impact Aid (Title VII of ESEA)	84.041B	N/A	<u>174,956</u>
Indian Education - Formula Grants to Local Educational Agencies	84.060A	S060A200411	<u>192,378</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184G	S184G190087	<u>585,776</u>
<b>Total U.S. Department of Education</b>			<u>81,412,406</u>
<b>U.S. Department of Health and Human Services</b>			
Passed-through Catholic Charities of Onondaga County:			
Refugee and Entrant Assistance - State-Administered Programs	93.566	C00418GG	<u>654,134</u>
Passed-through NYS Office of Temporary and Disability Assistance:			
Refugee and Entrant Assistance - State-Administered Programs	93.566	C00949GG	<u>268,104</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>922,238</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 99,431,344</b>

The accompanying notes to the schedule of federal awards are an integral part of this schedule.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**1. GENERAL**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the City School District of Syracuse, New York (the School District), an entity as defined in the basic financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the governmental activities, each major fund and aggregate remaining fund information for the School District.

**2. BASIS OF ACCOUNTING**

Expenditures reported in the Schedule are presented in conformity with accounting principles generally accepted in the United States and amounts presented are derived from the School District's general ledger. Negative amounts reflected in the Schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

**3. INDIRECT AND MATCHING COSTS**

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the School District's share of certain program costs) are not included in the reported expenditures. The School District did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**4. NON-MONETARY FEDERAL PROGRAM**

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a non-monetary program. During the year ended June 30, 2023, the School District received food commodities, the fair market value of which amounted to \$908,689 is presented in the accompanying Schedule of Expenditures of Federal Awards as National School Lunch Program (Division of Donated Foods, AL #10.555).

**5. SUBRECIPIENTS**

There were no amounts provided to subrecipients during the year ended June 30, 2023.

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

## **Part I - Summary of Auditor's Results**

## **Section I - Summary of Auditor's Results**

## Financial Statements

Type of independent auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

## Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

## Federal Awards

Type of independent auditor's report issued on compliance for major programs Unmodified

## Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

#### Identification of major programs:

**AL Number(s)**

#### Name of Federal Program or Cluster

84.010A

## Title I Grants to Local Educational Agencies (LEAs)

84.425D, 84.425U, 84.425W

COVID-19 - Education Stabilization Fund

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Part I - Summary of Auditor's Results (continued)**

**Section I - Summary of Auditor's Results (continued)**

Dollar threshold used to distinguish between  
Type A and Type B programs: \$2,982,940

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Findings**

There were no financial statement findings that are required to be reported.

**Section III - Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs that are required to be reported under the Uniform Guidance.