

**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, 2025**

Bonadio & Co., LLP
Accounting, Consulting & More

**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 17, 2025

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, 2025, 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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 purposes 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 annual report. 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, 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, 2025

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, 2025 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 \$522.6 million of which it received \$472.0 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 \$18.3 million as a result of this year's operations.
- At June 30, 2025, combined net position for all activities was \$47.2 million with the District's main assets of cash and capital assets exceeding its primary long term liabilities for Other Post Employment Benefits (OPEB) and bonds payable.
- At June 30, 2025, combined capital assets including leased assets, net of depreciation were \$494.4 million.
- The combined depreciation and amortization expense for all activities was \$56.1 million.
- The total long-term bonds payable, as of June 30, 2025, were \$223.2 million, a decrease of \$22.1 million from the prior year.

Fund Financial Statement Overview

- The total revenue for all governmental funds was \$699.8 million which was a decrease of \$11.2 million or 1.6% over the 2023-2024 year.
- The final General Fund budget (including the prior year's encumbrances and amendments if applicable) of \$583.9 million was an increase of \$54.4 million or 10.3% over the 2023-2024 budget.
- General Fund revenues (including operating transfers in) of \$542.4 million were an increase of \$9.6 million or 1.8% over the prior year.
- General Fund expenditures (including operating transfers out) of \$557.2 million were an increase of \$60.3 million or 12.1% over the prior year.
- The General Fund's fund balance decreased by \$14.8 million from \$224.5 million to \$209.7 million due to an excess of expenditures over revenue.

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 and Changes in Net Position. 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"> Statement of Net Position Statement of Activities and Changes in Net Position 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
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 and Changes in Net Position 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 and Changes in Net Position 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 and Changes in Net Position, 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 slightly by \$3.6 million, or 0.4%. Cash balances increased by \$55.0 million with revenues exceeding expenses for the year and State and Federal Aid receivables decreased by \$54.8 million mainly due to the outstanding receivable for pandemic federal stimulus reimbursement funding at the end of the prior year and no comparable receivable at the end of the current year with the federal stimulus funding concluded.

Total liabilities increased by \$66.6 million or 8.0% mainly due to an increase of \$103.3 million in the District's long-term liability for other postemployment benefits (OPEB) this year. This increase was partially offset by the change from a \$13.0 million liability for the School District's proportional share of the NYSTRS pension to a \$33.8 million asset and the reduction in bonds payable for the \$26.0 million of principal payments made and bond premium amortization.

Deferred outflows of \$221.0 million and deferred inflows of \$147.6 million (an increase of \$43.8 million and a decrease of \$44.5 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.

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

	Governmental Activities		Percentage Change
	2024	2025	
Assets	(as restated)		
Current and Other Assets	\$ 339,819	\$ 340,286	0.1%
Non-current Assets	532,282	528,213	-0.8%
Total Assets	872,101	868,499	-0.4%
Deferred Outflows of Resources	177,178	221,028	24.7%
Liabilities			
Bonds Payable - Due in One Year	26,015	26,650	2.4%
Bonds Payable - Due in More Than One Year	252,423	225,773	-10.6%
Other Liabilities	549,805	642,377	16.8%
Total Liabilities	828,243	894,800	8.0%
Deferred Inflows of Resources	192,130	147,643	-23.2%
Net Position			
Net investments in capital assets	267,021	256,854	-3.8%
Restricted	47,674	62,501	31.1%
Unrestricted (deficit)	(285,888)	(272,271)	-4.8%
Total Net Position	\$ 28,807	\$ 47,084	63.4%

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

The School District's combined governmental net position increased by approximately \$18.3 million as a result of the current year's operations. At June 30, 2025, the total assets and deferred outflows of resources exceeded the total liabilities and deferred inflows of resources by \$47.2 million.

As shown in Table 3 below, the School District's total revenues from governmental activities decreased by \$11.4 million to \$665.3 million with the end of federal stimulus funding from the American Rescue Plan Act of 2021 (ARPA) partially offset with the final phase-in by New York State to fully fund school districts' Foundation Aid.

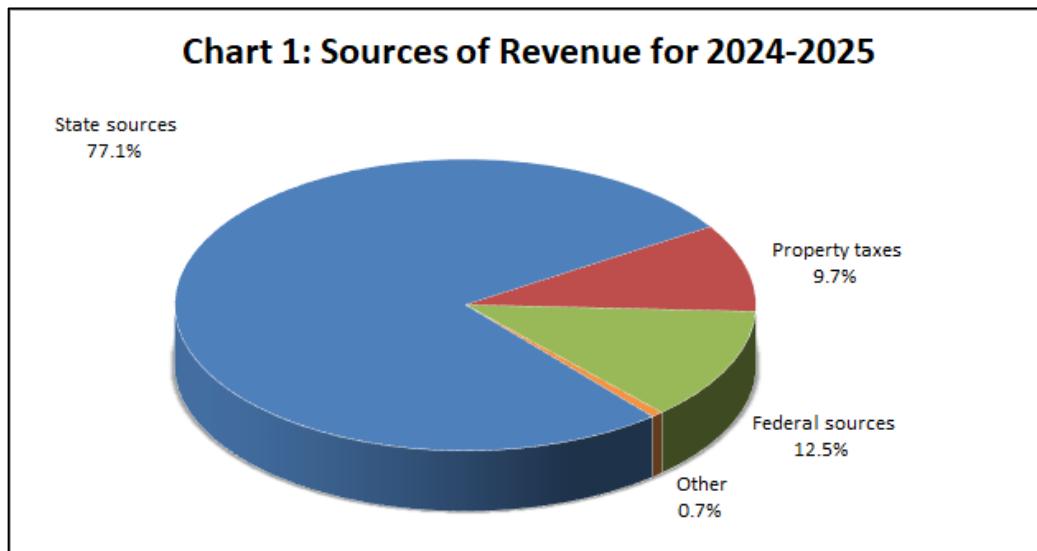
The cost of all governmental programs and services increased by 5.2% or \$31.8 million mainly due to the increases in contractual salary rates, the School District's OPEB liability valuation and contractual transportation rates.

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

	Governmental Activities		Percentage Change
	2024	2025	
Revenues			
Program Revenues:			
Charges for Services	\$ 384	\$ 524	36.5%
Operating Grants and Contributions	142,154	123,862	-12.9%
General Revenues:			
Property Taxes and Other Taxes	65,080	65,869	1.2%
State and Local Sources	461,667	470,031	1.8%
Federal Sources	2,778	2,004	-27.9%
Use of Money and Property	3,111	1,750	-43.7%
Miscellaneous	1,527	1,216	-20.4%
Total Revenues	<u>676,701</u>	<u>665,256</u>	-1.7%
Expenses			
General Support	98,969	114,692	15.9%
Instruction	455,545	460,869	1.2%
Pupil Transportation	34,099	45,294	32.8%
Community Service	1,642	1,647	0.3%
School Food Service Program	16,430	16,903	2.9%
Interest	8,499	7,574	-10.9%
Total Expenses	<u>615,184</u>	<u>646,979</u>	5.2%
Increase (Decrease) in Net Position	\$ 61,517	\$ 18,277	70.3%

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

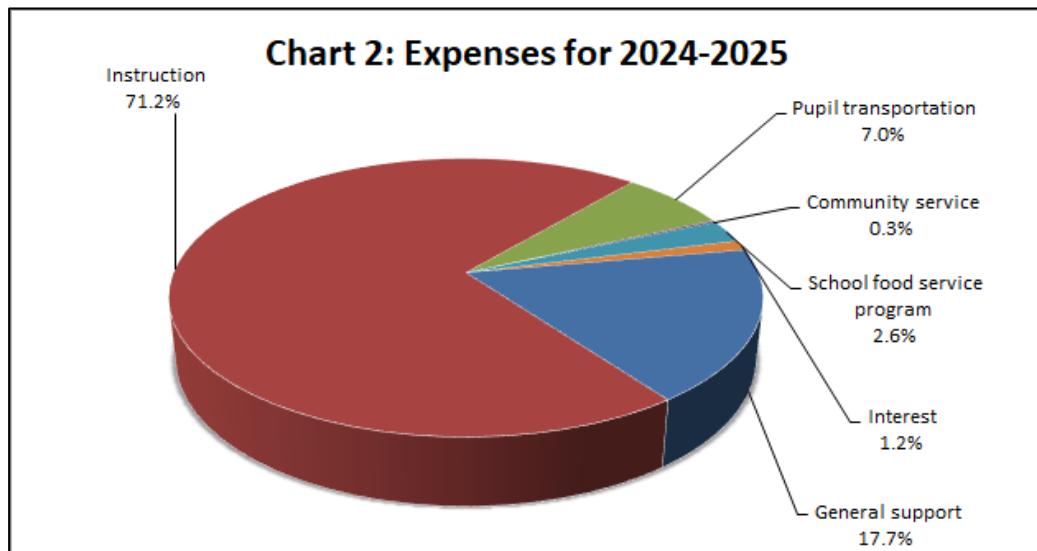
The School District is dependent on New York State and Federal funding sources for financing day-to-day operations with these two funding sources comprising 89.6% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.



The School District spent 71.2% of total expenses on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 2.6% 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 7.0% of total expenses.

General Support services such as custodial, maintenance, security, information technology, human resources and business administrative services made up approximately 17.7% of total expenses.



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

At June 30, 2025, the School District's governmental funds reported a combined fund balance of \$268.3 million, which is a decrease of \$0.1 million from the prior year's combined fund balance of \$268.4 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, 2025 is \$209.7 million, which is a decrease of \$14.8 million from the prior year's fund balance of \$224.5 million. Of the balance at June 30, 2025, \$129.3 million was unassigned. The unassigned fund balance represents 23.2% of the total current year General Fund expenditures, while total fund balance represents 37.6% of that same amount. The School District Board of Education has committed \$2 million for the Countywide STEAM High School construction project, \$24.5 million for a minimum 4% set-aside, \$5.3 million for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, and \$1 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, to balance the 2025-26 budget, \$29.9 million of fund balance was appropriated including \$19.5 million to continue initiatives and positions originated with federal pandemic relief funds, \$8 million for the STEAM school project, \$2 million for the Montessori at Delaware Primary and Seymour Dual Language Academy initiatives and \$400 thousand for workers' compensation initiatives.

JSCB

At June 30, 2025, JSCB, a blended component unit, reported a fund balance of \$12.3 million, which is an increase of \$3.2 million from the prior year's fund balance of \$9.1 million as funds are accumulated into the Series 2011B bond sinking fund for the upcoming 2027 principal payment at bond maturity. 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 \$583.9 million, consisting of the current year's operating budget of \$578.0 million and prior year's encumbrances of \$5.9 million. In March, the Board of Education approved an inter-functional budget transfer to reallocate cost saving from position vacancies and lower charter school tuition costs to investments in district building improvements and to support increased transportation, system implementation and healthcare costs.

The actual charges to appropriations (expenditures) were \$27.0 million or 4.6% less than the budget amount of \$583.9 million. Approximately half of this variance was encumbrances not yet recognized as expenditures totaling \$12.2 million at yearend for goods and services ordered but not received due to the timing of orders based on the date of the inter-functional transfer approval and impact of supply chain delays. Additionally, salary and related benefit costs including retirement and FICA costs were \$8.4 million less than the adjusted budget due to position vacancies caused by staffing shortages. Healthcare costs were less than the adjusted budget by \$1.9 million with lower than anticipated claim volume due to fewer enrollees from position vacancies.

Charter school costs were \$2.6 million less due to rate variances and savings of \$1.9 million were recognized for reduced early education program operating support needs due to lower enrollment.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Resources available for appropriation (revenues) excluding the use of fund balance were approximately \$200 thousand or 0.1% less than the budget amount of \$542.7 million. State Aid was slightly less than anticipated due to the State Education Department's STAC aid reconciliation for the 2011-12 through 2017-18 school years resulting in recoupment of some prior year payments.

For a more detailed comparison of budget to actual operating results by category, refer to the Required Supplementary Information Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual for the Year Ended June 30, 2025.

CAPITAL ASSETS

At June 30, 2025, the School District had \$494.4 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 decrease of \$37.9 million or 7.1% from last year. The School District added an additional \$14.5 million to assets and \$3.5 net 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 federal pandemic relief funding for window repair and renovation projects.

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

	Governmental Activities		Percentage Change
	2024	2025	
Land	\$ 1,480	\$ 1,480	0.0%
Land Improvements	9,718	10,612	9.2%
Buildings and Improvements	488,530	446,053	-8.7%
Furniture and Equipment	15,128	15,566	2.9%
Vehicles	2,806	2,782	-0.9%
Software	191	122	-36.1%
Right-to-use Leased Assets	1,093	1,031	-5.7%
SBITAs	230	150	-34.8%
Construction in Progress	13,106	16,622	26.8%
Total	\$ 532,282	\$ 494,418	-7.1%

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

DEBT ADMINISTRATION

At June 30, 2025, the School District had \$223.2 million of bonds payable outstanding compared to \$245.3 million last year, a decrease of \$22.1 million or 9.0% as a result of principal payments made during the year. Bond Anticipation Notes totaling \$2 million were issued as JSCB Phase III construction design began. Additional bonds will be issued to finance JSCB Phase III construction in future years.

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 2025-26 General Fund Budget, great care was taken to consider the health, safety and well-being of our students and staff while maintaining focus on our priorities, the needs of our students and staff, and the feedback from many stakeholders in our community, including students and staff. The School District listened to concerns and recommendations, identified challenges and opportunities and used these as the foundation for developing the budget for next year.

The financial, academic and social-emotional toll from the pandemic will continue to have a long-lasting impact on the needs of our students and on our School District's finances as the federal stimulus funding has expired. We remain committed to sound fiscal stewardship in the use of state aid and fund balance in the development of the 2025-26 budget and operational plans.

We continue to align our work to the Strategic Plan for both short-term and long-term success while adjusting to the needs of our students and staff, as well as new regulations and mandates. Specifically, this budget includes the following six priorities:

1. **Culture** – establish a culture of learning and high expectations
2. **Literacy and Numeracy** – increase student proficiency in literacy and numeracy
3. **Belonging** – improve belonging for all
4. **Engagement** – engage families and communities
5. **Resource Allocation** – effectively and efficiently utilize resources
6. **Recruitment and Retention** – recruit highly effective, diverse staff and provide incentives to retain them

In Fall 2025, after many years of planning and renovations, we will be opening the first regional high school in New York State. The STEAM High School will enroll 250 ninth grade students from the Syracuse City School District and from three of our surrounding counties. 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 and we continue to support this transition. Additionally, the phase-in of the new Montessori programming at Delaware Primary will be in its third academic year. We 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 strive for success and persevere despite their current circumstances.

NEXT YEAR'S BUDGET (Continued)

State Aid is increasing to \$514.6 million dollars in the amended budget, \$50.2 million dollars over the 2024-25 budget, as a result of the changes to the Foundation Aid formula. The final New York State budget was released on May 9, 2025 with formulaic changes to State Aid. These changes include updating the poverty measures utilized in the Foundation Aid formula, increasing the per pupil amount for special services aid for CTE programs, and including ninth grade students in the pupil count for the calculation of total special service aid for CTE programs. This budget is balanced through the use of Fund Balance which has been committed by the Board of Education for the STEAM High School and the Delaware Montessori phase-in, as well as unassigned Fund Balance to allow for the continuation of ARPA (American Rescue Plan Act) initiatives including mental health supports, reading and math intervention.

The School District Board of Education's financial and educational stewardship has allowed the District to continue to provide high-quality educational opportunities to all students as we navigate through the post-pandemic environment and uncertain financial climate.

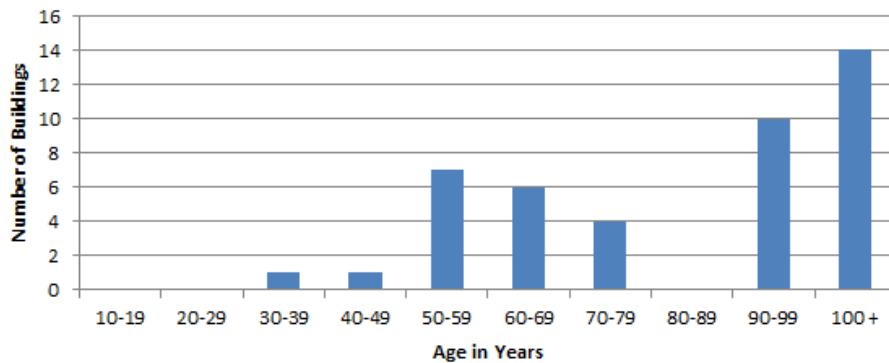
LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT

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 had a significant impact on the School District's operations and students during the pandemic period and continues impact student growth and achievement post pandemic. The School District continues to offer social emotional supports and academic supports to address learning loss resulting from the pandemic now and in future years.

Table 5 - Age of Active School Buildings



Maintaining and operating District facilities also presents a significant challenge, one which is made more difficult given the age of the school buildings. Over 65% of the School District's facilities are 80 years old or older (see Table 5).

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.

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

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.

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.

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

Joint Schools Construction Board (Continued)

In 2013, the State approved an amendment to the Syracuse Cooperative School Reconstruction Act (Amended 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 2024. 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.

In 2021, the State approved a second amendment to the Amended Act authorizing a third group of reconstruction projects (JSCB Phase III) for \$300 million. Subsequently, the State approved a third amendment to increase the amount from \$300 million to \$400 million. JSCB Phase III includes reconstruction projects at ten schools – Delaware Primary, Seymour Dual Language Academy and Webster Elementary Schools, Roberts and Syracuse Latin Pre-K-8 Schools, Lincoln and Syracuse STEM at Blodgett Middle Schools, as well as Corcoran, Henninger and Nottingham High Schools. Work began in 2025, with anticipated completion by the end of 2032.

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.

The STEAM High School is scheduled to open in Fall 2025.

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

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.

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 beginning with 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 required the State to increase funding for Foundation Aid to school districts over the next three years so that Foundation Aid would be fully funded by fiscal year 2024. The funding increases were \$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.

With Foundation Aid fully funded, in 2024, the State took the next step to engage the Rockefeller Institute to conduct a study to assess the formula and make recommendations for modernization and improvement. This study was completed and results released in December 2024. In alignment with these recommendations, the 2025-26 State Budget incorporated changes to use the most recent 3-year average of the Small Area Income and Poverty Estimates (SAIPE) instead of the 2000 Census data for poverty measurements, replace free and reduced price lunch (FRPL) data with economically disadvantaged data to measure low-income student population, increase the maximum Foundation Aid State Sharing Ratio (FASSR) that provides additional aid to low-wealth school districts and increase the weighting for English Language Learners from 0.5 to 0.53.

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 was required to be used by September 30, 2024. The School District used all funding by the deadline.

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

Federal Funding for School Districts (Continued)

The ARP Acts funding was used for:

- Acceleration of Instruction - in response to the effects of lost instructional time for students during the COVID-19 pandemic, the School District supported 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, which continued for the summer of 2024. The District also implemented academic intervention services focused on the core academic areas of reading and mathematics, supports for students with special needs and language and literacy supports for English Language Learners.
- Social Emotional Supports – funding helped to 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 also provided 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 2024-25 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.
- Technology - to better provide students with technology and connectivity both in school and during unexpected times of remote instruction, the District purchased 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 required 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.

ARP Act monies are non-recurring or “one-time” revenue streams which were used for a combination of non-recurring and recurring expenditures. Looking ahead, the School District is mindful that a gap was created starting in the 2024-25 year and extending and expanding for future years' budgets as these one-time revenue streams are decreased and then ended fully in 2025-26 but the supports needed for students did not. As a result, the School District will continue to fill this funding gap through use fund balance for staffing and services that continue to be needed.

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, 2025

	Governmental Activities
ASSETS	
Pooled cash and cash equivalents held by City	\$ 230,580,006
Pooled cash and cash equivalents held by School District	3,976
Pooled Restricted cash and cash equivalents held by City	4,637,213
Pooled Restricted cash and cash equivalents held by School District	176,387
Restricted cash held in trust	19,518,869
Receivables:	
State and Federal aid	70,850,555
Due from other governments	409,981
Due from City	3,446,744
Other	8,996,162
Inventories	1,445,065
Prepaid expenses	221,329
Net pension asset - TRS	33,794,526
Capital assets, non-depreciable	18,102,383
Capital assets, net of accumulated depreciation/amortization	476,315,719
Total Assets	<u>868,498,915</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - OPEB	125,301,953
Deferred outflows of resources - TRS Pension	81,698,650
Deferred outflows of resources - ERS Pension	13,894,754
Deferred outflows of resources - Bond Refundings	<u>132,679</u>
Total Deferred Outflows of Resources	<u>221,028,036</u>
LIABILITIES	
Payables:	
Accounts payable	31,989,768
Accrued expenses	1,888,301
Accrued payroll	2,093,856
Due to other governments	1,750,382
Accrued interest	1,816,103
Due to Fiduciary Funds	1,009
Due to retirement systems	29,789,532
Grant advance	1,970,734
Bond anticipation notes	2,000,000
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	26,649,952
Self-insured employee health plan claims	35,183
Self-insured workers' compensation claims	4,125,491
Compensated absences payable	3,092,922
Other postemployment benefits	13,663,917
Lease and SBITA liabilities	536,429
Due and payable in more than one year:	
Bonds payable, net of current portion	225,772,571
Self-insured workers' compensation claims	28,147,228
Compensated absences payable	15,767,791
Other postemployment benefits	475,284,936
Net pension liability - ERS	27,752,676
Lease and SBITA liabilities	<u>671,509</u>
Total Liabilities	<u>894,800,290</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - Lottery Aid	10,916,667
Deferred inflows of resources - TRS Pension	44,011,073
Deferred inflows of resources - ERS Pension	492,823
Deferred inflows of resources - OPEB	<u>92,222,182</u>
Total Deferred Inflows of Resources	<u>147,642,745</u>
NET POSITION	
Net investment in capital assets	256,854,275
Restricted	62,500,610
Unrestricted (deficit)	<u>(272,270,969)</u>
Total Net Position	<u>\$ 47,083,916</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, 2025

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	
General support	\$ 114,692,498	\$ -	\$ 6,464,494	\$ (108,228,004)
Instruction	460,869,488	430,322	95,115,812	(365,323,354)
Pupil transportation	45,293,799	-	2,245,717	(43,048,082)
Community service	1,647,298	-	1,843,261	195,963
School food service program	16,903,253	94,094	18,192,433	1,383,274
Interest	7,573,960	-	-	(7,573,960)
Total	\$ 646,980,296	\$ 524,416	\$ 123,861,717	(522,594,163)

GENERAL REVENUES

General property taxes	64,862,230
Nonproperty taxes	1,007,025
Use of money and property	1,750,135
Sale of property and compensation for loss	22,934
Miscellaneous	1,193,393
State and local sources	470,031,729
Federal sources	<u>2,004,042</u>
 Total General Revenues	 <u>540,871,488</u>
 Change in Net Position	 18,277,325
 Total Net Position - beginning of year	 <u>40,056,941</u>
 Restatement (Note 1)	 <u>(11,250,350)</u>
 Total Net Position - beginning of year, as restated	 <u>28,806,591</u>
 Total Net Position - end of year	 <u>\$ 47,083,916</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)
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Special Aid	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS					
CASH:					
Pooled cash and cash equivalents held by City	\$ 230,580,006	\$ -	\$ -	\$ -	\$ 230,580,006
Pooled cash and cash equivalents held by School District	3,976	-	-	-	3,976
Pooled restricted cash and cash equivalents held by City	4,637,213	-	-	-	4,637,213
Pooled restricted cash and cash equivalents held by School District	-	-	-	176,387	176,387
Restricted cash held in trust	-	-	-	19,518,869	19,518,869
RECEIVABLES:					
Due from other funds	-	-	35,387,885	6,008,482	41,396,367
Due from JSCB Fund	5,132,681	-	-	-	5,132,681
State and Federal aid	42,108,956	22,635,797	4,741,840	1,363,962	70,850,555
Due from other governments	409,981	-	-	-	409,981
Due from City	3,446,744	-	-	-	3,446,744
Other	3,269,801	5,718,216	-	8,145	8,996,162
INVENTORIES	739,911	-	-	705,154	1,445,065
PREPAID EXPENDITURES	197,997	23,332	-	-	221,329
Total assets	\$ 290,527,266	\$ 28,377,345	\$ 40,129,725	\$ 27,780,999	\$ 386,815,335
LIABILITIES					
PAYABLES:					
Accounts payable	\$ 24,177,006	\$ 5,928,371	\$ 1,584,914	\$ 299,477	\$ 31,989,768
Accrued expenditures	1,533,172	-	-	63,046	1,596,218
Accrued payroll	1,522,425	302,524	-	268,907	2,093,856
Due to other governments	533	1,749,698	-	151	1,750,382
Due to other funds	23,001,693	18,395,683	-	-	41,397,376
Due to the General Fund	-	-	-	5,132,681	5,132,681
NOTES PAYABLE:					
Bond anticipation note	-	-	-	2,000,000	2,000,000
OTHER LIABILITIES:					
Due to retirement systems	29,789,532	-	-	-	29,789,532
Grant advance	-	1,970,734	-	-	1,970,734
Self-insured workers' compensation claims	769,871	-	-	-	769,871
Total liabilities	80,794,232	28,347,010	1,584,914	7,764,262	118,490,418
DEFERRED INFLOW OF RESOURCES					
PROPERTY TAXES	24,329	-	-	-	24,329
Total deferred inflow of resources	24,329	-	-	-	24,329
FUND BALANCE					
NON-SPENDABLE	937,908	23,332	-	705,154	1,666,394
RESTRICTED	4,637,213	7,003	38,544,811	19,311,583	62,500,610
COMMITTED	32,815,185	-	-	-	32,815,185
ASSIGNED	42,062,303	-	-	-	42,062,303
UNASSIGNED	129,256,096	-	-	-	129,256,096
Total fund balance	209,708,705	30,335	38,544,811	20,016,737	268,300,588
Total liabilities and fund balance	\$ 290,527,266	\$ 28,377,345	\$ 40,129,725	\$ 27,780,999	\$ 386,815,335

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, 2025

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

Total governmental fund balance	\$ 268,300,588
Capital assets and right-to-use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	494,418,102
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.	132,679
Pension related government wide activity:	
Net pension asset (TRS)	33,794,526
Deferred outflows of resources (TRS and ERS)	95,593,404
Net pension liability (ERS)	(27,752,676)
Deferred inflows of resources (TRS and ERS)	(44,503,896)
Receivables not received within 90 days and therefore not reported in the funds	24,329
Accrued interest not paid and therefore not reported in the funds	(1,816,103)
Other postemployment benefits (OPEB) related government wide activity:	
Deferred inflows - Other postemployment benefits (OPEB)	(92,222,182)
Other postemployment benefits (OPEB) liability	(488,948,853)
Deferred outflows - Other postemployment benefits (OPEB)	125,301,953
Deferred inflows - Lottery Aid	(10,916,667)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(252,422,523)
Compensated absence	(18,860,713)
Lease and SBITA liabilities	(1,207,938)
Self-insurance	(31,538,031)
Retainage payable	<u>(292,083)</u>
Net position of governmental activities	<u>\$ 47,083,916</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, 2025

	General	Special Aid	Formerly Nonmajor Fund	Formerly Major Fund	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
			Capital Projects	Joint Schools Construction Board			
REVENUES							
General property taxes	\$ 64,862,230	\$ -	\$ -	\$ -	-	\$ -	\$ 64,862,230
Nonproperty taxes	1,007,025	-	-	-	-	-	1,007,025
Charges for services	430,322	-	-	-	-	-	430,322
Use of money and property	1,484,834	-	-	-	-	265,301	1,750,135
Sale of property and compensation for loss	22,834	-	-	-	-	100	22,934
Miscellaneous	1,009,111	-	-	-	-	184,282	1,193,393
State and local sources	467,943,051	42,522,047	2,064,349	-	-	325,079	512,854,526
Federal sources	1,275,341	63,147,237	-	-	-	17,483,959	81,906,537
Surplus food	-	-	-	-	-	1,112,096	1,112,096
Sales - School Food Service Program	-	-	-	-	-	94,094	94,094
Pass-through New York State funding from the General Fund	-	-	-	-	-	34,552,662	34,552,662
Total revenues	538,034,748	105,669,284	2,064,349	-	54,017,573	699,785,954	
EXPENDITURES							
General support	104,941,916	6,015,494	-	-	-	8,347,182	119,304,592
Instruction	358,217,078	88,509,421	-	-	-	136,715	446,863,214
Pupil transportation	40,066,206	2,089,738	-	-	-	-	42,155,944
Community service	-	1,715,235	-	-	-	-	1,715,235
Pass-through New York State funding to JSCB Fund	34,552,662	-	-	-	-	-	34,552,662
Debt service:							
Principal	300,324	-	-	-	-	22,240,096	22,540,420
Interest	23,963	-	-	-	-	11,546,045	11,570,008
Cost of sales	-	-	-	-	-	8,724,761	8,724,761
Capital outlay	758,291	-	11,921,629	-	-	149,223	12,829,143
Total expenditures	538,860,440	98,329,888	11,921,629	-	51,144,022	700,255,979	
Excess (deficiency) of revenues over expenditures	(825,692)	7,339,396	(9,857,280)	-	-	2,873,551	(470,025)
OTHER FINANCING SOURCES AND USES							
Premium on issuance of bond anticipation note	-	-	-	-	-	11,440	11,440
Proceeds from leases/SBITAs	365,207	-	-	-	-	-	365,207
Operating transfers in	4,408,300	765,328	21,457,988	-	-	2,584,975	29,216,591
Operating transfers out	(18,750,302)	(8,293,206)	-	-	-	(2,173,083)	(29,216,591)
Total other financing sources (uses)	(13,976,795)	(7,527,878)	21,457,988	-	423,332	376,647	
Net change in fund balance	(14,802,487)	(188,482)	11,600,708	-	-	3,296,883	(93,378)
Fund balance - beginning of year, as previously reported	224,511,192	218,817	-	9,063,068	-	34,600,889	268,393,966
Change within financial reporting entity - Changes between major and nonmajor funds	-	-	26,944,103	(9,063,068)	-	(17,881,035)	-
Fund balance - beginning of year, as restated	224,511,192	218,817	26,944,103	-	-	16,719,854	268,393,966
Fund balance - end of year	\$ 209,708,705	\$ 30,335	\$ 38,544,811	\$ -	\$ 20,016,737	\$ 268,300,588	

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, 2025

Net change in fund balance - Total governmental funds	\$ (93,378)
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.	
	1,040,995
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.	18,226,255
Depreciation and amortization are not recorded as an expenditure in the governmental funds, but are recorded in the statement of activities.	(56,090,270)
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.	22,540,420
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.	3,984,608
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.	22,241,426
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.	6,792,476
Proceeds from debt (including leases and SBITAs) are other financing sources in governmental funds, but a debt issuance increases long-term liabilities in the statement of net position.	<u>(365,207)</u>
Change in net position of governmental activities	\$ <u>18,277,325</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, 2025

	Private Purpose Trusts
ASSETS	
Restricted cash held by School District	\$ 41,172
Due from other funds	<u>1,009</u>
 Total assets	 <u>42,181</u>
NET POSITION	
Held in trust for scholarships - restricted	\$ <u>42,181</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, 2025

	Private Purpose Trusts
ADDITIONS	
Contributions	\$ 9,857
Investment income	<u>1,022</u>
 Total additions	 <u>10,879</u>
DEDUCTIONS	
Scholarships and awards	<u>12,580</u>
 Total deductions	 <u>12,580</u>
 Change in net position	 (1,701)
 Net position - beginning of year	 <u>43,882</u>
 Net position - end of year	 <u>\$ 42,181</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, 2025**

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:

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.

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.

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

School Food Service Fund

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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.

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.

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, 2025, \$258,008,081 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 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	20 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

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by the employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee). A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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. The compensated absences liability is calculated based on contractual provisions.

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 \$488,948,853 as of June 30, 2025.

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	\$ 4,637,213
Special Aid Fund	7,003
Joint Schools Construction Board (JSCB)	12,323,142
School Food Service Fund	5,851,748
Capital Projects	38,544,811
Debt Service	965,164
Miscellaneous Special Revenue Fund	153,585
Permanent Fund	17,944
Total restricted net position	<u>\$ 62,500,610</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 expenditures recorded in the General Fund of \$937,908, prepaid expenditures recorded in the Special Aid Fund of \$23,332 and the inventory recorded in the School Food Service Fund of \$705,154.
- 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, 2025, the General Fund had committed fund balance of \$32,815,185 as follows: \$1 million for the phase-in of Montessori at Delaware Primary and the whole-school dual language model of instruction at Seymour Dual Language Academy, \$5,315,185 for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, \$2 million for the STEAM school project, and \$24.5 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, 2025, the School District's General Fund encumbrances amounted to \$12,162,303, classified as follows:

General Support	\$ 7,362,980
Instruction	4,751,547
Transportation	47,776
Total General Fund encumbrances	<u>\$12,162,303</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 appropriated \$29,900,000 of fund balance to be used to fund fiscal year 2025-2026 operating expenditures which included \$19.5 million for the continuation of certain initiatives and positions created in response to the COVID-19 pandemic and previously supported with the federal pandemic relief funds, \$8 million for the STEAM school project, \$2 million for the phase-in of Montessori at Delaware Primary and the whole-school dual language model of instruction at Seymour Dual Language Academy and \$400 thousand for workers' compensation safety and training initiatives.

- 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. Change in Accounting Estimate

Effective July 1, 2024, the District implemented a revised policy for useful lives of capital assets based on new observations and assumptions. The revised schedule was implemented on a prospective basis with fiscal year 2025 being the first year of implementation. Approximate depreciation impact for 2025 governmental activities is an increase of \$36.1 million. Differences resulted from changed service lives for building and improvements from 39 years to 20 years, which management believes more accurately reflects the anticipated useful life of long-lived assets.

Q. 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.

R. Restatement - Change in Accounting Principle

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated in the District's financial statements and had the following effect on the beginning net position of the governmental activities as of July 1, 2024:

	<u>Liabilities</u>	<u>Net Position</u>
Balance at June 30, 2024, as previously reported	\$ 817,092,833	\$ 40,056,941
Change due to adoption of GASB Statement No. 101	<u>11,250,350</u>	<u>(11,250,350)</u>
Balance at July 1, 2024, as restated	<u>\$ 828,343,183</u>	<u>\$ 28,806,591</u>

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, 2025:

Fund	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 5,132,681	\$ 23,001,693	\$ 4,408,300	\$ 18,750,302
Special aid	-	18,395,683	765,328	8,293,206
JSCB	-	5,132,681	-	1,095,675
School food service	5,043,318	-	-	1,077,408
Capital projects	35,387,885	-	21,457,988	-
Debt service	965,164	-	2,584,975	-
Private purpose trust	1,009	-	-	-
Total	<u>\$ 46,530,057</u>	<u>\$ 46,530,057</u>	<u>\$ 29,216,591</u>	<u>\$ 29,216,591</u>

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, 2025:

	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance at June 30, 2025</u>
Capital assets, not being depreciated:				
Land	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Construction in progress	13,106,214	12,463,936	(8,948,092)	16,622,058
Total capital assets, not being depreciated	<u>14,586,539</u>	<u>12,463,936</u>	<u>(8,948,092)</u>	<u>18,102,383</u>
Capital assets, being depreciated/amortized:				
Land improvements	13,026,571	1,494,327	(501,849)	14,019,049
Buildings and improvements	750,997,494	8,822,453	(230,644)	759,589,303
Furniture and equipment	25,500,865	3,234,211	(952,615)	27,782,461
Vehicles	9,433,646	940,124	(288,536)	10,085,234
Software	6,405,107	-	(894,728)	5,510,379
Total capital assets, being depreciated/amortized	<u>805,363,683</u>	<u>14,491,115</u>	<u>(2,868,372)</u>	<u>816,986,426</u>
Less accumulated depreciation/amortization for:				
Land improvements	(3,308,866)	(593,045)	494,411	(3,407,500)
Buildings and improvements	(262,467,048)	(51,251,941)	183,059	(313,535,930)
Furniture and equipment	(10,372,860)	(2,725,939)	882,556	(12,216,243)
Vehicles	(6,627,960)	(946,335)	270,821	(7,303,474)
Software	(6,213,930)	(69,577)	894,728	(5,388,779)
Total accumulated depreciation/amortization	<u>(288,990,664)</u>	<u>(55,586,837)</u>	<u>2,725,575</u>	<u>(341,851,926)</u>
Total capital assets, being depreciated/amortized, net	<u>516,373,019</u>	<u>(41,095,722)</u>	<u>(142,797)</u>	<u>475,134,500</u>
Right-to-use leased assets, being amortized:				
Buildings	841,691	365,207	-	1,206,898
Equipment	862,739	-	(263,400)	599,339
Total right-to-use leased assets, being amortized	<u>1,704,430</u>	<u>365,207</u>	<u>(263,400)</u>	<u>1,806,237</u>
Less accumulated amortization for:				
Buildings	(120,062)	(245,114)	-	(365,176)
Equipment	(491,567)	(178,283)	260,286	(409,564)
Total accumulated amortization	<u>(611,629)</u>	<u>(423,397)</u>	<u>260,286</u>	<u>(774,740)</u>
Total right-to-use leased assets, being amortized, net	<u>1,092,801</u>	<u>(58,190)</u>	<u>(3,114)</u>	<u>1,031,497</u>
Total SBITAs, being amortized	301,577	-	-	301,577
Less total accumulated amortization for SBITAs	(71,819)	(80,036)	-	(151,855)
Total SBITAs, being amortized, net	<u>229,758</u>	<u>(80,036)</u>	<u>-</u>	<u>149,722</u>
Governmental Activities Capital Assets, net	\$532,282,117	\$ (28,770,012)	\$ (9,094,003)	\$494,418,102

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	\$41,202,860
Support Services:	
General	10,230,788
Pupil transportation	3,886,973
School Food Service	<u>769,649</u>
Total depreciation/amortization expense	<u>\$56,090,270</u>

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, 2025:

	Balance at 7/1/2024 (restated)	Additions	Reductions	Balance at 6/30/2025	Amount due in one year	Due in more than one year
<u>Bonds payable:</u>						
Bonds payable	\$245,290,000	\$ -	\$ 22,110,000	\$223,180,000	\$22,745,000	\$200,435,000
Premiums on bonds payable	33,147,475	-	3,904,952	29,242,523	3,904,952	25,337,571
Total bonds payable	<u>278,437,475</u>	<u>-</u>	<u>26,014,952</u>	<u>252,422,523</u>	<u>26,649,952</u>	<u>225,772,571</u>
<u>Other liabilities:</u>						
Compensated absences payable {1}	18,686,040	174,673	-	18,860,713	3,092,922	15,767,791
Other postemployment benefits	385,607,918	116,652,063	13,311,128	488,948,853	13,663,917	475,284,936
Self-insured employee health plan claims	244,845	57,918,382	58,128,044	35,183	35,183	-
Self-insured workers' compensation claims	34,844,959	1,882,066	4,454,306	32,272,719	4,125,491	28,147,228
Net pension liability - TRS	12,975,780	-	12,975,780	-	-	-
Net pension liability - ERS	22,512,019	5,240,657	-	27,752,676	-	27,752,676
SBITA liabilities	233,434	-	78,030	155,404	81,555	73,849
Lease liabilities	1,103,093	365,207	415,766	1,052,534	454,874	597,660
Total other liabilities	<u>476,208,088</u>	<u>182,233,048</u>	<u>89,363,054</u>	<u>569,078,082</u>	<u>21,453,942</u>	<u>547,624,140</u>
Long-term liabilities	<u>\$754,645,563</u>	<u>\$182,233,048</u>	<u>\$115,378,006</u>	<u>\$821,500,605</u>	<u>\$48,103,894</u>	<u>\$773,396,711</u>

{1} Additions and deletions to compensated absences is shown net because it is impractical to determine these amounts separately.

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.

No Revenue Anticipation Notes (RANs), Bond Anticipation Notes (BANs) or Tax Anticipation Notes (TANS) were issued or redeemed during the year by the School District, except for the BANs issued by JSCB as noted on the next page.

5. LONG-TERM INDEBTEDNESS (Continued)

Revenue and Bond Anticipation Notes Payable (Continued)

In January 2025, JSCB issued a \$2,000,000 BAN with a stated interest rate of 4.0% that will become due on January 23, 2026.

JSCB's short-term debt activity for the year ended June 30, 2025:

	Balance at <u>July 1, 2024</u>	<u>Issued</u>	<u>Redeemed</u>	Balance at <u>June 30, 2025</u>
Bond Anticipation Notes	\$ _____ -	\$ 2,000,000	\$ _____ -	\$ 2,000,000

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, 2025 consisted of the following:

<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2025</u>
May 28, 2015	2027	4.000 - 5.000	\$ 1,195,000
July 12, 2011	2028	5.428	15,000,000
February 1, 2021	2028	5.000	7,730,000
April 20, 2017	2030	3.000 - 5.000	8,395,000
December 21, 2017	2030	3.000 - 5.000	2,560,000
June 23, 2017	2032	3.000 - 5.000	1,775,000
March 15, 2018	2034	3.250 - 5.000	46,175,000
June 20, 2018	2035	3.000 - 5.000	27,295,000
April 11, 2019	2035	4.000 - 5.000	47,700,000
March 3, 2020	2037	4.000 - 5.000	<u>65,355,000</u>
Total bonds outstanding			<u>\$223,180,000</u>

5. LONG-TERM INDEBTEDNESS (Continued)

Bonds Payable (Continued)

Bonds payable as of June 30, 2025 are as follows:

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	18,765,000	6,655,838	25,420,838
2030	19,655,000	5,723,987	25,378,987
2031 – 2035	101,375,000	13,831,000	115,206,000
2036 – 2037	<u>7,240,000</u>	<u>294,200</u>	<u>7,534,200</u>
 Totals	 <u>\$ 223,180,000</u>	 <u>\$ 53,922,912</u>	 <u>\$ 277,102,912</u>

To ensure sufficient moneys will be available to pay the principal on the Series 2011B Bonds at maturity in 2027, 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, 2025, deposits equaled \$7,975,000 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)	\$ 11,558,568
Less: Interest accrued in the prior year	(1,971,044)
Amortization of bond premiums	(3,904,952)
Plus: Deferred loss on refunding	75,285
Interest accrued in the current year	<u>1,816,103</u>
Total expense	<u>\$ 7,573,960</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 End of Year Lease Liability</u>
Copier	1/1/2022	48	1.04%	46,766
Equipment	4/1/2022	63	2.55%	26,159
Property	6/1/2023	60	3.70%	316,109
Equipment	2/1/2024	60	3.80%	121,398
Property	6/1/2024	60	4.62%	236,782
Property	3/1/2025	24	3.96%	305,320

6. LEASES (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 454,874	\$ 32,791	\$ 487,665
2027	361,061	16,495	377,556
2028	215,695	5,241	220,936
2029	<u>20,904</u>	<u>266</u>	<u>21,170</u>
	<u>\$ 1,052,534</u>	<u>\$ 54,793</u>	<u>\$ 1,107,327</u>

7. PENSION PLANS

New York State and Local Employee's Retirement System (ERS)

The District participates in the New York State and Local Employee's Retirement System (ERS). The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS.

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in ERS, 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.

This is a cost-sharing, multiple-employer, defined benefit pension plan. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. GLIP amounts are appropriated to and included in the ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The significant dates shown below are referenced throughout the NYSERS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – March 31, 2025
- Actuarial valuation date – April 1, 2024

Membership Tiers

Membership, benefits, and employer and employee obligations to contribute are described in the RSSL using the tier concept. Pension legislation established tier membership by the date a member last joined ERS. They are as follows:

7. PENSION PLANS (Continued)

ERS

- Tier 1** Those persons who last became members of ERS before July 1, 1973.
- Tier 2** Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3** Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4** Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5** Those persons who last became members of ERS on or after January 1, 2010, but before April 1, 2012.
- Tier 6** Those persons who first became members of ERS on or after April 1, 2012.

Vesting

All Members are vested when they reach five years of service credit.

Employer Contributions

Participating employers are required under the RSSL to contribute to ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2025 was approximately 15.2 percent of covered payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2025, the applicable interest rate was 5.9 percent. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

NYSERS

2025	\$ 7,887,428
2024	\$ 6,082,872
2023	\$ 4,926,215

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3 percent of their salary to ERS. As a result, of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with ERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

7. PENSION PLANS (Continued)

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

At year end, a net pension liability of \$27,752,676 for its proportionate share of the NYERS net pension liability was reported. The net pension liability is determined as of the measurement date, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation date. The proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportion was 0.1618636%, which was an increase of 0.0089707% from the proportionate share of 0.1528929% as of the prior year measurement date.

As of the fiscal year end, pension expense of \$6,395,930 was recognized and the deferred outflows/inflows of resources related to pensions from the following sources were reported:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,888,401	\$ 324,930
Changes in assumptions	1,163,892	-
Net difference between projected and actual earnings on pension plan investments	2,177,397	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,454,411	167,893
Contributions subsequent to the measurement date	<u>2,210,653</u>	<u>-</u>
Total	<u>\$ 13,894,754</u>	<u>\$ 492,823</u>

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:

2026	\$ 5,041,260
2027	7,566,077
2028	(1,947,864)
2029	<u>531,805</u>
	<u>\$ 11,191,278</u>

At fiscal year end, \$2,210,653 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date. This outflow will be recognized as a reduction of the net pension liability in the following fiscal year.

7. PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability at the measurement date was determined by using an actuarial valuation as of the actuarial valuation date. Update procedures were used by the actuary to roll forward the total pension liability to be as of the measurement date.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Aggregate Cost Method
Inflation	2.9%
Salary scale	4.3% in ERS
Cost-of-living-adjustments	1.5% compounded annually
Active member decrements	Based upon FY 2016-2020 experience
Pensioner mortality	Gender/Collar specific tables based upon FY 2016-2020 experience
Investment rate of return	5.9% compounded annually, net of investment expenses

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.

To set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) 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.

Demographic assumptions used in the actuarial valuation date are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

7. PENSION PLANS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Type</u>	Target	Long-term
	Allocations in %	expected rate of return in %
Domestic Equity	25.0	3.54
International Equity	14.0	6.57
Private Equity	15.0	7.25
Real Estate	12.0	4.95
Opportunistic/Absolute Return	3.0	5.25
Credit	4.0	5.40
Real Assets	4.0	5.55
Fixed Income	22.0	2.00
Cash	<u>1.0</u>	0.25
	<u><u>100%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability 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 (Asset) Liability to the Discount Rate Assumption

The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of Net Pension Liability (Asset)	<u>\$ 80,319,737</u>	<u>\$ 27,752,676</u>	<u>\$ (16,140,855)</u>

7. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (in 000's) of the employers as of the measurement date were as follows:

Total pension liability	\$ 247,600,239
Net position	<u>(230,454,512)</u>
Net pension liability	<u>\$ 17,145,727</u>
Fiduciary net position as a percentage of total pension liability	93.08%

New York State Teachers' Retirement System (NYSTRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). NYSTRS is a public employee retirement system (PERS) that was created and exists, pursuant to Article 11 of the New York State Education Law. NYSTRS is the administrator of a cost-sharing, multiple-employer, defined benefit plan, administered by a 10-member Board to Provide pension benefits for teachers employed in New York, excluding New York City. NYSTRS issues a publicly available Annual Comprehensive Final Report. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

The significant dates shown below are referenced throughout the NYSTRS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – June 30, 2024
- Actuarial valuation date – June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

- | | |
|--------|---|
| Tier 1 | Members who last joined prior to July 1, 1973, are covered by the provisions of Article 11 of the Education Law. |
| Tier 2 | Members who last joined on or after July 1, 1973, and prior to July 27, 1976, are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL). |
| Tier 3 | Members who last joined on or after July 27, 1976, and prior to September 1, 1983, are covered by the provisions of Article 14 and Article 15 of the RSSL. |
| Tier 4 | Members who last joined on or after September 1, 1983, and prior to January 1, 2010, are covered by the provisions of Article 15 of the RSSL. |
| Tier 5 | Members who joined on or after January 1, 2010, and prior to April 1, 2012, are covered by the provisions of Article 15 of the RSSL. |
| Tier 6 | Members who joined on or after April 1, 2012, are covered by the provisions of Article 15 of the RSSL. |

7. PENSION PLANS (Continued)

Employer Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. The actuarially determined contribution rate applied to 2023-24 salaries is 9.76%. The required contribution is an actuarially determined rate. The contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current plan year and two preceding plan years were:

2025	\$	22,827,504
2024	\$	21,107,694
2023	\$	21,563,876

Member Contributions

Tier 3 and Tier 4 members are required by law to contribute 3.0% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3.0% and 6.0% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than five years of credited service for Tiers 3 -6, the member contributions with interest calculated at 5.0% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

At fiscal year end, a net pension asset of \$33,794,526 was reported for the proportionate share of the NYSTRS net pension asset. The net pension asset as of the measurement date, and the total pension asset used to calculate the net pension liability was determined by the actuarial valuation date. The proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportionate share was 1.132673%, which was a decrease of 0.001985% from the proportionate share of 1.134658% at the prior measurement date.

For the fiscal year end, pension expense (income) of \$18,197,511 was recognized and deferred outflows/inflows of resources related to pensions from the following sources were reported:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 36,390,498	\$ -
Changes in assumptions	20,215,974	3,400,516
Net difference between projected and actual earnings on pension plan investments	-	37,548,598
Changes in proportion	2,171,840	3,061,959
Contributions subsequent to the measurement date	22,920,338	-
Total	<u>\$ 81,698,650</u>	<u>\$ 44,011,073</u>

7. PENSION PLANS (Continued)

At fiscal year end, \$22,920,338 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan year ending:

2025	\$ (17,737,967)
2026	41,139,378
2027	(7,038,103)
2028	(7,847,454)
2029	4,543,838
Thereafter	<u>1,707,547</u>
	<u>\$ 14,767,239</u>

Actuarial Assumptions

The total pension liability at the measurement date was determined by the actuarial, with update procedures used to roll forward the total pension liability to the measurement date, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th>Service</th><th>Rate</th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	Service	Rate	5	5.18%	15	3.64%	25	2.50%	35	1.95%
Service	Rate										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.3% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

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

The demographic actuarial assumptions and the salary scales are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. For the full details, please refer to the Recommended Actuarial Assumptions 2021 Report, which can be found on the System's website located at www.nystrs.org.

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* and generally accepted accounting principles. 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.

7. PENSION PLANS (Continued)

The Long-Term Expected Real Rates of Return are presented by asset allocation classification. 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 are summarized in the following table:

<u>Asset Type</u>	Target Allocations in %	Long-term expected expected real rate of return in %*
Domestic Equity	33.0	6.6
International Equities	15.0	7.4
Global equities	4.0	6.9
Real Estate Equities	11.0	6.3
Private Equities	9.0	10.0
Domestic Fixed Income Securities	16.0	2.6
Global Bonds	2.0	2.5
Private Debt	2.0	5.9
Real Estate Debt	6.0	3.9
High-yield bonds	1.0	4.8
Cash Equivalents	<u>1.0</u>	0.5
	<u><u>100%</u></u>	

*Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

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 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 (asset) liability.

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

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

	1% Decrease <u>(5.95%)</u>	Current Discount <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Proportionate share of Net Pension Liability (Asset)	<u><u>\$ 156,098,865</u></u>	<u><u>\$ (33,794,526)</u></u>	<u><u>\$ (193,499,963)</u></u>

7. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the collective net pension liability (in 000's) of all of the participants as of the measurement date, were as follows:

Total pension liability	\$ 142,837,826
Plan fiduciary net position	<u>145,821,434</u>
Net pension liability (asset)	<u><u>\$ (2,983,608)</u></u>
Plan fiduciary net position as a percentage of total pension liability	102.1%

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

As of July 1, 2023, the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,662
Active employees	<u>2,838</u>
Total participants	<u><u>6,500</u></u>

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The School District's total OPEB liability of \$488,948,853 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 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	6/30/2025
Measurement Date	6/30/2025
Actuarial Valuation Date	7/1/2023
Discount Rate	4.71%
Rate of Compensation Increase	3.00%
Inflation Rate (CPI)	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	8.160 years

The rate used to discount future plan cash flows was updated from 3.97% to 4.71% as of June 30, 2025 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, 2025 to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2025_1b (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.

As of the June 30, 2025 measurement date, the mortality assumption was updated to the sex-distinct and job category-specific headcount weighted Pub-2016 Public Retirement Plans Mortality Tables for employees, healthy retirees, and contingent survivors, then adjusted for mortality improvements with the Scale MP-2021 mortality improvement scale on a generational basis. This resulted in a decrease in the liability.

Changes in the Total OPEB Liability

Balance at June 30, 2024	\$ <u>385,607,918</u>
Changes for the Year:	
Service cost	16,103,170
Interest cost	15,688,902
Changes in benefit terms	(261,833)
Changes in assumptions or other inputs	84,859,991
Actual benefit payments	(13,049,295)
Net changes	<u>103,340,935</u>
Balance at June 30, 2025	\$ <u>488,948,853</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 (3.71%) or 1 percentage point higher (5.71%) than the current discount rate:

	1% Decrease <u>(3.71%)</u>	Current Rate <u>(4.71%)</u>	1% Increase <u>(5.71%)</u>
Total OPEB Liability	<u>\$ 562,693,807</u>	<u>\$ 488,948,853</u>	<u>\$ 428,625,043</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 (5.0% – 34%) or 1 percentage point higher (7.0% – 36%) than the current healthcare cost trend rate:

	1% Decrease <u>(5.0% - 34%)</u>	Current Rate <u>(6.0% - 35%)</u>	1% Increase <u>(7.0% - 36%)</u>
Total OPEB Liability	<u>\$ 414,113,658</u>	<u>\$ 488,948,853</u>	<u>\$ 584,679,856</u>

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

For the year ended 2025, the School District recognized OPEB expense (income) of (\$18,791,568). At 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Difference between Expected and Actual Experience	\$ 12,979,460	\$ (68,406,567)
Change of Assumptions	<u>112,322,493</u>	<u>(23,815,615)</u>
Total	<u>\$ 125,301,953</u>	<u>\$ (92,222,182)</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 June 30:</u>	<u>Amount</u>
2026	\$ (34,932,714)
2027	11,326,014
2028	11,089,650
2029	11,355,125
2030	11,528,301
Thereafter	<u>22,713,395</u>
Total	<u>\$ 33,079,771</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, 2025.

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, 2025.

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, 2025:

	<u>Medical</u>	<u>Workers' Compensation</u>
June 30, 2023	\$ 263,496	\$ 36,332,275
Claims, net of payments for all claims	(18,651)	(1,487,316)
June 30, 2024	\$ 244,845	\$ 34,844,959
Claims, net of payments for all claims	(209,662)	(2,572,240)
June 30, 2025	<u>\$ 35,183</u>	<u>\$ 32,272,719</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

On November 12, 2025, the District's Board of Education approved the renewal of \$2.0 million and issuance of an additional \$4.0 million of Bond Anticipation Notes to fund the design costs associated with JSCB Phase III projects pending approval by the City of Syracuse Common Council. 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 ENCUMBRANCES -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

General Fund									
	Budgeted Amounts					Add: Current Year Encumbrances	Total Current Year Revenue, Expenditures and Encumbrances	Budget Variance Favorable (Unfavorable)	
	Original	Interfunctional Transfer		Final	Actual				
REVENUES									
General property taxes	\$ 64,588,014	\$ -	\$ 64,588,014	\$ 64,862,230	\$ -	\$ 64,862,230	\$ 274,216		
Nonproperty taxes	850,000	-	850,000	1,007,025	-	1,007,025	157,025		
Charges for services	225,000	-	225,000	430,322	-	430,322	205,322		
Use of money and property	1,375,000	-	1,375,000	1,484,834	-	1,484,834	109,834		
Sale of property and compensation for loss	50,250	-	50,250	22,834	-	22,834	(27,416)		
Miscellaneous	1,299,083	-	1,299,083	1,009,111	-	1,009,111	(289,972)		
State and local sources	468,283,111	-	468,283,111	467,943,051	-	467,943,051	(340,060)		
Federal sources	1,660,000	-	1,660,000	1,275,341	-	1,275,341	(384,659)		
Total revenues	538,330,458	-	538,330,458	538,034,748	-	538,034,748	(295,710)		
OTHER SOURCES									
Lease/SBITA liabilities issued	-	-	-	365,207	-	365,207	365,207		
Operating transfers in	4,324,748	-	4,324,748	4,408,300	-	4,408,300	83,552		
Total revenues and other sources	542,655,206	-	542,655,206	542,808,255	-	542,808,255	153,049		
EXPENDITURES AND ENCUMBRANCES									
General support	111,406,100	3,000,000	114,406,100	104,941,916	7,362,980	112,304,896	2,101,204		
Instruction	382,626,878	(10,400,000)	372,226,878	358,217,078	4,751,547	362,968,625	9,258,253		
Pupil transportation	39,221,829	2,500,000	41,721,829	40,066,206	47,776	40,113,982	1,607,847		
Pass-through New York State funding to JSCB	34,552,663	-	34,552,663	34,552,662	-	34,552,662	1		
Debt service	361,400	-	361,400	324,287	-	324,287	37,113		
Capital outlay	-	-	-	758,291	-	758,291	(758,291)		
Total expenditures and encumbrances	568,168,870	(4,900,000)	563,268,870	538,860,440	12,162,303	551,022,743	12,246,127		
OTHER USES									
Operating transfers out	15,740,881	4,900,000	20,640,881	18,750,302	-	18,750,302	1,890,579		
Total expenditures and other uses	583,909,751	-	583,909,751	557,610,742	12,162,303	569,773,045	14,136,706		
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES									
	\$ (41,254,545)	\$ -	\$ (41,254,545)	\$ (14,802,487)	\$ (12,162,303)	\$ (26,964,790)	\$ 14,289,755		

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:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	\$ 16,103,170	\$ 14,044,746	\$ 10,088,781	\$ 12,988,416	\$ 8,283,401	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347		
Interest cost	15,688,902	12,989,287	11,438,195	7,125,017	7,094,705	8,564,800	23,616,910	22,589,595		
Changes of benefit terms	(261,833)	30,807,717	(1,521,525)	(17,300,024)	8,631,106	-	-	-		
Differences between expected and actual experience	-	(9,749,873)	-	15,067,237	19,148,021	(389,052,209)	(2,242,757)	(314,221)		
Changes in assumptions or other inputs	84,859,991	11,511,722	25,490,327	(47,231,871)	32,233,001	28,637,682	(19,845,230)	(5,655,185)		
Benefit payments	(13,049,295)	(12,421,668)	(13,918,413)	(13,678,239)	(13,617,053)	(12,918,652)	(17,693,310)	(18,514,661)		
Total change in total OPEB liability	103,340,935	47,181,931	31,577,365	(43,029,464)	61,773,181	(356,978,179)	3,181,043	17,208,875		
Total OPEB liability - beginning	385,607,918	338,425,987	306,848,622	349,878,086	288,104,905	645,083,084	641,902,041	624,693,166		
Total OPEB liability - ending	\$ 488,948,853	\$ 385,607,918	\$ 338,425,987	\$ 306,848,622	\$ 349,878,086	\$ 288,104,905	\$ 645,083,084	\$ 641,902,041		
Covered-employee payroll	\$ 308,343,887	\$ 292,629,406	\$ 280,461,140	\$ 264,719,123	\$ 233,839,973	\$ 229,649,395	\$ 225,440,334	\$ 239,120,856		
Total OPEB liability as a percentage of covered-employee payroll	158.6%	131.8%	120.7%	115.9%	149.6%	125.5%	286.1%	268.4%		

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, 2025 measurement date, the discount rate was revised from 3.97% to 4.71%. This resulted in a decrease in the liability.

As of the June 30, 2025 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, 2025 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, 2025 measurement date, the mortality assumption was updated. This resulted in a decrease in liabilities.

As of the June 30, 2025 measurement date, the rates of turnover for ERS Tiers 5-6 were revised to match the Tier 1-4 rates. This resulted in an increase in liabilities.

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.

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:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.1618636%	0.1528929%	0.1492794%	0.1426346%	0.1508623%	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%
Proportionate share of the net pension liability (asset)	\$ 27,753	\$ 22,512	\$ 32,012	\$ (11,660)	\$ 150	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238
Covered-employee payroll	\$ 57,816	\$ 56,295	\$ 50,406	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.00%	39.99%	63.51%	-25.14%	0.35%	86.23%	24.67%	10.65%	32.92%	57.28%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.132673%	1.134658%	1.164091%	1.081102%	1.147097%	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%
Proportionate share of the net pension liability (asset)	\$ (33,795)	\$ 12,976	\$ 22,338	\$ (187,345)	\$ 31,697	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)
Covered-employee payroll	\$ 226,710	\$ 214,071	\$ 212,409	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-14.91%	6.06%	10.52%	-91.04%	17.27%	-15.18%	-10.76%	-4.80%	6.95%	-69.17%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

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:

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 7,887	\$ 6,083	\$ 4,926	\$ 6,406	\$ 6,148	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656
Contributions in relation to the contractually required contribution	7,887	6,083	4,926	6,406	6,148	5,898	5,984	5,650	5,409	5,656
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered-employee payroll	 \$ 57,816	 \$ 56,295	 \$ 50,406	 \$ 46,377	 \$ 43,185	 \$ 45,503	 \$ 43,581	 \$ 43,232	 \$ 39,296	 \$ 37,080
Contributions as a percentage of covered-employee payroll	13.64%	10.81%	9.77%	13.81%	14.24%	12.96%	13.73%	13.07%	13.76%	15.25%
 NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	 2025	 2024	 2023	 2022	 2021	 2020	 2019	 2018	 2017	 2016
Contractually required contribution	\$ 22,828	\$ 21,108	\$ 21,564	\$ 20,210	\$ 17,250	\$ 20,169	\$ 18,028	\$ 20,788	\$ 23,283	\$ 27,692
Contributions in relation to the contractually required contribution	22,828	21,108	21,564	20,210	17,250	20,169	18,028	20,788	23,283	27,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered-employee payroll	 \$ 226,710	 \$ 214,071	 \$ 212,409	 \$ 205,791	 \$ 183,510	 \$ 194,699	 \$ 189,798	 \$ 177,373	 \$ 175,373	 \$ 157,918
Contributions as a percentage of covered-employee payroll	10.07%	9.86%	10.15%	9.82%	9.40%	10.36%	9.50%	11.72%	13.28%	17.54%

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, 2025

	School Food Service	Joint Schools Construction Board	Debt Service	Miscellaneous Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS						
Pooled restricted cash and cash equivalents held by School District	\$ -	\$ -	\$ -	\$ 158,443	\$ 17,944	\$ 176,387
Restricted cash held in trust		19,518,869				19,518,869
Receivables:						
Due from other funds	5,043,318	-	965,164	-	-	6,008,482
State and Federal aid	1,363,962	-	-	-	-	1,363,962
Other	8,145	-	-	-	-	8,145
Inventory	705,154	-	-	-	-	705,154
Total assets	\$ 7,120,579	\$ 19,518,869	\$ 965,164	\$ 158,443	\$ 17,944	\$ 27,780,999
LIABILITIES						
Accounts payable	\$ 294,619	\$ -	\$ -	\$ 4,858	\$ -	\$ 299,477
Accrued expenditures	-	63,046	-	-	-	63,046
Accrued payroll	268,907	-	-	-	-	268,907
Due to other governments	151	-	-	-	-	151
Due to the General Fund	-	5,132,681	-	-	-	5,132,681
Bond anticipation note	-	2,000,000	-	-	-	2,000,000
Total liabilities	\$ 563,677	\$ 7,195,727	-	\$ 4,858	-	\$ 7,764,262
FUND BALANCE						
Non-spendable	705,154	-	-	-	-	705,154
Restricted	5,851,748	12,323,142	965,164	153,585	17,944	19,311,583
Total fund balance	\$ 6,556,902	\$ 12,323,142	\$ 965,164	\$ 153,585	\$ 17,944	\$ 20,016,737
Total liabilities and fund balance	\$ 7,120,579	\$ 19,518,869	\$ 965,164	\$ 158,443	\$ 17,944	\$ 27,780,999

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, 2025

	Formerly Nonmajor Fund						Joint Schools			Debt Service			Miscellaneous Special Revenue		Permanent Fund		Total Nonmajor Governmental Funds	
	School Food Service	Capital Projects	Joint Schools Construction Board				Debt Service						Miscellaneous Special Revenue			Permanent Fund		Total Nonmajor Governmental Funds
REVENUES																		
Use of money and property	\$ 152	\$ -	264,832	\$ -									\$ -		\$ 317	\$ 265,301		
Sale of property and compensation for loss	100	-	-	-									-		-	100		
Miscellaneous	11,075	-	-	-									173,207		-	184,282		
State and local sources	325,079	-	-	-									-		-	325,079		
Federal sources	16,755,258	-	728,701	-									-		-	17,483,959		
Surplus food	1,112,096	-	-	-									-		-	1,112,096		
Sales - School Food Service Program	94,094	-	-	-									-		-	94,094		
Pass-through New York State funding from General Fund	-	-	34,552,662	-									-		-	34,552,662		
Total revenues	18,297,854	-	35,546,195	-									173,207		317	54,017,573		
EXPENDITURES																		
General Support	8,347,182	-	-	-									-		-	8,347,182		
Instruction	-	-	-	-									136,715		-	136,715		
Principal	130,096	-	19,835,000	2,275,000									-		-	22,240,096		
Interest	18,407	-	11,217,663	309,975									-		-	11,546,045		
Cost of sales	8,724,761	-	-	-									-		-	8,724,761		
Capital outlay	-	-	149,223	-									-		-	149,223		
Total expenditures	17,220,446	-	31,201,886	2,584,975									136,715		-	51,144,022		
Excess (deficiency) of revenues over expenditures	1,077,408	-	4,344,309	(2,584,975)									36,492		317	2,873,551		
OTHER FINANCING SOURCES AND USES																		
Premium on issuance of bond anticipation note	-	-	11,440	-									-		-	11,440		
Operating transfers in	-	-	-	2,584,975									-		-	2,584,975		
Operating transfers out	(1,077,408)	-	(1,095,675)	-									-		-	(2,173,083)		
Total other financing sources (uses)	(1,077,408)	-	(1,084,235)	2,584,975									-		-	423,332		
Net change in fund balance	-	-	3,260,074	-									36,492		317	3,296,883		
Fund balance - beginning of year, as previously stated	6,556,902	26,944,103	-	965,164									117,093		17,627	34,600,889		
Change within financial reporting entity - Changes between major and nonmajor funds	-	(26,944,103)	9,063,068	-									-		-	(17,881,035)		
Fund balance - beginning of year, as restated	6,556,902	-	9,063,068	965,164									117,093		17,627	16,719,854		
Fund balance - end of year	\$ 6,556,902	\$ -	\$ 12,323,142	\$ 965,164	\$ 153,585	\$ 17,944	\$ 20,016,737											

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, 2025

Project Title	Project Status	Expenditures to Date			Methods of Financing							Fund Balance June 30, 2025	
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended (Overexpended) Balance	Proceeds of Obligations	State Sources	Federal Sources	Local Sources	Total	
SSBA - SSIP1.3	Closed	\$ 5,067,192	\$ 4,793,584	\$ 4,793,584	\$ -	\$ 4,793,584	\$ -	\$ -	\$ 4,793,584	\$ -	\$ -	\$ 4,793,584	\$ -
SSBA - SSIP2.2	Open	6,576,426	9,268,176	5,819,139	814,362	6,633,501	2,634,675	-	6,155,861	252,160	630,000	7,038,021	- 404,520
SSBA - SSIP3.2	Open	6,415,765	6,415,765	-	336,946	336,946	6,078,819	-	336,946	-	-	336,946	-
SSBA - SSIP6.1	Open	7,000,000	7,000,000	1,416,259	974,951	2,391,210	4,608,790	-	2,391,210	-	-	2,391,210	-
ITC Stadium	Open	9,000,000	9,000,000	194,558	-	194,558	8,805,442	-	-	-	9,000,000	9,000,000	- 8,805,442
ARPA Window Projects	Closed	13,750,000	7,512,846	661,809	6,851,037	7,512,846	-	-	-	6,883,367	629,479	7,512,846	-
Porter Window Project	Open	4,500,000	4,500,000	89,700	1,757,741	1,847,441	2,652,559	-	-	-	2,000,000	2,000,000	- 152,559
Brighton Academy Stadium	Open	-	11,000,000	-	-	-	11,000,000	-	-	-	4,900,000	4,900,000	- 4,900,000
Clary Athletic Field	Open	1,100,000	1,400,000	39,917	22,134	62,051	1,337,949	-	-	-	1,400,000	1,400,000	- 1,337,949
Franklin Roof Replacement	Open	2,500,000	4,100,000	10,116	46,911	57,027	4,042,973	-	-	-	4,100,000	4,100,000	- 4,042,973
Henninger Athletic Field	Open	1,700,000	2,200,000	55,609	19,548	75,157	2,124,843	-	-	-	2,200,000	2,200,000	- 2,124,843
Meachem Roof Replacement	Open	1,800,000	1,900,000	10,355	107,752	118,107	1,781,893	-	-	-	1,900,000	1,900,000	- 1,781,893
Oasis Window Replacement	Open	2,700,000	2,700,000	33,191	36,451	69,642	2,630,358	-	-	-	2,700,000	2,700,000	- 2,630,358
Porter Masonry & Roof Replacement	Open	3,000,000	3,700,000	8,370	50,395	58,765	3,641,235	-	-	-	3,700,000	3,700,000	- 3,641,235
Salem Hyde Roof Replacement	Open	1,900,000	2,400,000	8,721	44,526	53,247	2,346,753	-	-	-	2,400,000	2,400,000	- 2,346,753
STEAM at Dr. King Field	Open	-	1,300,000	73,342	858,875	932,217	367,783	-	-	-	1,300,000	1,300,000	- 367,783
All other various	Open	11,249,306	6,008,504	-	-	-	6,008,504	-	-	-	6,008,503	6,008,503	- 6,008,503
TOTAL		\$ 78,258,689	\$ 85,198,875	\$ 13,214,670	\$ 11,921,629	\$ 25,136,299	\$ 60,062,576	\$ -	\$ 13,677,601	\$ 7,135,527	\$ 42,867,982	\$ 63,681,110	\$ - \$ 38,544,811

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2025

Capital assets, net	\$ 494,418,102
Add:	
Deferred loss on refunding of debt	132,679
Deduct:	
Bond Anticipation Notes	2,000,000
Short-term portion of lease and SBITA liabilities	536,429
Long-term portion of lease and SBITA liabilities	671,509
Short-term portion of bonds payable	26,649,952
Long-term portion of bonds payable	225,772,571
Capital projects accounts payable	1,584,914
Less: unspent bond proceeds	<u>(19,518,869)</u>
Net investment in capital assets	<u>\$ 256,854,275</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 17, 2025

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, 2025, 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 17, 2025.

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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(Continued)

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

(Continued)

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 17, 2025

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, 2025. 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, 2025.

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.

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

(Continued)

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 a 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.

(Continued)

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

(Continued)

Report on Internal Control over Compliance (Continued)

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, 2025**

<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>
U.S. Department of Agriculture			
Passed-through NYS Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program (NSLP)	10.555	N/A	\$ 1,112,096
Cash Assistance			
School Breakfast Program (SBP)	10.553	N/A	4,940,636
National School Lunch Program (NSLP)	10.555	N/A	9,635,002
Supply Chain Assistance	10.555	N/A	71,339
Summer Food Service Program for Children (SFSP)	10.559	N/A	722,653
Fresh Fruit and Vegetable Program	10.582	N/A	563,280
Total Cash Assistance			15,932,910
Total Child Nutrition Cluster			17,045,006
Local Food for Schools Cooperative Agreement Program	10.185	N/A	58,846
Passed-through NYS Department of Health:			
Child and Adult Care Food Program (CACFP)	10.558	N/A	763,502
Total U.S. Department of Agriculture			17,867,354
U.S. Department of Justice			
Direct:			
Bureau of Justice Assistance STOP School Violence Program	16.839	N/A	114,890
Total U.S. Department of Justice			114,890
U.S. Department of Education			
Passed-through Onondaga Cortland Madison Counties BOCES:			
Adult Education - Basic Grants to States			
WIOA - Title II Correction Education Service Grant	84.002A	N/A	75,348
Passed-through NYS Higher Education Services Corporation:			
Gaining Early Awareness and Readiness for Undergrad Programs			
NYGEAR UP	84.334S	C12393GG	318,564

**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, 2025**
(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>
U.S. Department of Education (Continued)			
Passed-through NYS Department of Education:			
Adult Education - Basic Grants to States			
WIOA, Title 2, Adult Education & Lit	84.002A	2338254405	144,030
WIOA, Title 2, Adult Education & Lit	84.002A	2338254406	147,724
WIOA, Title 2, Adult Education & Lit	84.002A	2338254407	150,000
WIOA, Title 2, Adult Education & Lit	84.002A	2338254408	150,000
WIOA-Title II English Literacy & Civics	84.002A	0040254200	285,059
WIOA-Title II Adult Basic	84.002A	2338254106	257,009
WIOA, Title 2, Adult Education & Lit	84.002A	2338244407	<u>725</u>
Total Adult Education - Basic Grants to States			<u>1,134,547</u>
Title I, Grants to Local Educational Agencies (LEAs)			
Title I, Part A	84.010A	0021242165	1,196,754
Title I, Part A	84.010A	0021252166	19,098,657
Title I, Part D	84.010A	0016242165	8,704
Title I, Part D	84.010A	0016252165	180,396
Title I, School Improvement	84.010A	0011242006	802,111
Title I, School Improvement	84.010A	0011245006	8,748
Title I, School Improvement	84.010A	0011246006	(10,974)
Title I, School Improvement	84.010A	0011255006	5,146
Title I, School Improvement	84.010A	0011256006	129,369
Title I, School Improvement	84.010A	0011241006	41,222
Title I, School Improvement	84.010A	0011243006	798
Title I, School Improvement	84.010A	0011252006	2,424,384
Title I, School Improvement	84.010A	0011258006	3,516
Title I, Integration Project	84.010A	0011237140	<u>25,145</u>
Total Title I Grants to Local Educational Agencies (LEAs)			<u>23,913,976</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)			
IDEA - Part B, Section 611	84.027A	0032220656	8,030,501
IDEA - Part B, Section 611	84.027A	0032240656	<u>1,516</u>
Total Special Education - Grants to States (IDEA, Part B)			<u>8,032,017</u>
Special Education - Preschool Grants (IDEA, Preschool)			
IDEA - Part B, Section 619	84.173A	0033250656	397,297
IDEA - Part B, Section 619	84.173A	0033240656	<u>1,492</u>
Total Special Education - Preschool Grants (IDEA, Preschool)			<u>398,789</u>
Total Special Education Cluster (IDEA)			<u>8,430,806</u>
Career and Technical Education - Basic Grants to States (Perkins V)			
Perkins IV CTEIA	84.048A	8000250010	<u>368,400</u>
Total Career and Technical Education - Basic Grants to States (Perkins V)			<u>368,400</u>
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	84.196A	212253033	196,872
Education for Homeless Children and Youth	84.196A	212243033	<u>30,015</u>
Total Education for Homeless Children and Youth			<u>226,887</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, 2025**

(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>
U.S. Department of Education (Continued)			
Passed-through NYS Department of Education (Continued):			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287C	0187258055	976,486
Twenty-First Century Community Learning Centers	84.287C	0187248055	<u>375</u>
Total Twenty-First Century Community Learning Centers			<u>976,861</u>
English Language Acquisition State Grants			
Title IIIA, ELL	84.365A	0293252165	386,307
Title IIIA, ELL	84.365A	0293242165	99,400
Title IIIA Immigrant Education	84.365A	0149252165	<u>20,558</u>
Total English Language Acquisition State Grants			<u>506,265</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Title II, Part A	84.367A	0147252165	984,678
Title II, Part A	84.367A	0147242165	<u>90,972</u>
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			<u>1,075,650</u>
Student Support and Academic Enrichment Program			
Title IV, Part A	84.424A	0204252165	1,037,730
Title IV, Part A	84.424A	0204242165	244,047
Stronger Connections Grant	84.424F	0248241021	50,401
Stronger Connections Grant	84.424F	0248251021	<u>835,829</u>
Total Student Support and Academic Enrichment Program			<u>2,168,007</u>
Education Stabilization Fund (ESF)			
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880212165	21,157,681
COVID-19 ARP Homeless I	84.425W	5212213033	17,895
COVID-19 ARP Homeless II	84.425W	5218212165	141,923
COVID-19 ARP Homeless II SLR	84.425W	5219212165	<u>9,433</u>
Total Education Stabilization Fund (ESF)			<u>21,326,932</u>
Direct:			
Impact Aid (Title VII of ESEA)	84.041B	N/A	<u>143,318</u>
Indian Education - Formula Grants to Local Educational Agencies	84.060A	S060A220411	<u>227,386</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184G	S184G190087	494,366
School Safety National Activities to Connect	84.184H	S184H240088	<u>106,996</u>
Total U.S. Department of Education			<u>61,494,309</u>
U.S. Department of Health and Human Services			
Passed-through Catholic Charities of Onondaga County:			
Refugee and Entrant Assistance - State-Administered Programs	93.566	C00418GG	<u>608,550</u>
Passed-through NYS Office of Temporary and Disability Assistance:			
Refugee and Entrant Assistance - State-Administered Programs	93.566	C00949GG	427,046
Refugee and Entrant Assistance - State-Administered Programs	93.566	C01067GG	<u>645,760</u>
Total U.S. Department of Health and Human Services			<u>1,681,356</u>
Total Expenditures of Federal Awards			
Total Program Expenditures by Assistance Listing Number			
National School Lunch Program (NSLP) / Supply Chain	10.555		\$ <u>10,818,437</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)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

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, 2025, the School District received food commodities, the fair market value of which amounted to \$1,112,096 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, 2025.

**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, 2025**

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: Yes No Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes 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 No

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Identification of major programs:

AL Number(s) Name of Federal Program or Cluster

10.553, 10.555, 10.559, 10.582 Child Nutrition Cluster

**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, 2025**

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: \$2,434,737

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.