

**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, 2021**

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

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

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## **INDEPENDENT AUDITOR'S REPORT**

December 8, 2021

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the 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, 2021, 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.

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

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

### **Auditor's Responsibility**

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, 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.

## ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 12 to the financial statements, during the year ended June 30, 2021, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## **Other Matters**

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

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Capital Projects Fund – Schedule of Project Expenditures; and the Net Investment in Capital Assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet, 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.

The Capital Projects Fund – Schedule of Project Expenditures and the Net Investment in Capital Assets have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of the City School District of Syracuse, New York’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, 2021**

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The purpose of the management's discussion and analysis (MD&A) section of the Syracuse City School District's (the School District) financial statements is to provide the reader with an overall review of the School District's financial activities including its blended component unit, Joint Schools Construction Board (JSCB) for the year ended June 30, 2021 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 \$384.7 million of which it received \$377.4 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 \$57.5 million as a result of this year's operations.
- At June 30, 2021, combined net position for all activities was a deficiency of \$290.0 million mainly as a result of recognizing other postemployment benefits (OPEB) liability of \$349.9 million.
- At June 30, 2021, combined capital assets, net of depreciation were \$497.0 million.
- The combined depreciation expense for all activities was \$10.7 million.
- The total long-term bonds payable, as of June 30, 2021, were \$315.1 million, a decrease of \$24.5 million from the prior year.

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

- The total revenue for all governmental funds was \$545.9 million which was an increase of \$12.2 million or 2.3% over the 2019-2020 year.
- The final General Fund budget (including the prior year's encumbrances and amendments) of \$441.9 million was a decrease of \$13.1 million or 2.9% over the 2019-2020 budget.
- General Fund revenues (including operating transfers in) of \$445.6 million were an increase of \$6.1 million or 1.4% over the prior year.
- General Fund expenditures (including operating transfers out) of \$420.1 million were a decrease of \$7.1 million or 1.7% over the prior year.
- The General Fund's fund balance increased by \$25.6 million from \$74.3 million (as restated) to \$99.9 million due to an excess of revenues over expenditures.

## USING THIS ANNUAL REPORT

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

- Government-wide financial statements that include the Statement of Net Position and the Statement of Activities 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

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

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

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

One of the most fundamental and key questions relative to any School District is *How did we do financially during the course of this past year?* To help answer this question, the Statement of Net Position and the Statement of Activities 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 increased by \$57.3 million, or 7.5%. The School District's net investment in capital assets increased \$70.1 million with JSCB Phase II renovations continuing at seven schools – Brighton Academy, Clary Middle School, Expeditionary Learning Middle School, Corcoran High School, Henninger High School, Nottingham High School and PSLA at Fowler High School, and project closeout continuing at five schools – Bellevue Elementary, Ed Smith Pre-K – 8, Huntington Pre-K – 8, Grant Middle School, and Syracuse STEM at Blodgett Middle School. Additionally, state and federal aid receivables increased by \$14.7 million mainly due to the timing of receipts for State Aid and Federal CARES Act funding. These increases were partially offset as the School District's proportionate share of the New York State Teachers' Retirement System's (NYSTRS) net pension asset decreased from an asset of \$29.6 million to a net pension liability of \$31.7 million this year.

Total liabilities increased by \$99.8 million or 11.9% mainly due to an increase of \$61.8 million in the District's long term liability for other postemployment benefits (OPEB) this year, a \$31.7 million increase in the School District's share of the NYSTRS pension liability, and the \$86.0 million revenue anticipation note (RAN) outstanding at yearend. The RAN was subsequently paid-off in full on July 30, 2021. These increases were partially offset by the reduction in bonds payable for the \$21.7 million of principal payments made and the \$39.1 million decrease in the School District's share of the New York State and Local Employees' Retirement System's (NYSERS) pension liability.

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

	<b>Governmental Activities</b>		<b>Percentage</b>
	<b>2020</b>	<b>2021</b>	<b>Change</b>
	(as restated)		
<b>Assets</b>			
Current and Other Assets	\$ 305,283	\$ 322,078	5.5%
Non-current Assets	456,497	496,990	8.9%
<b>Total Assets</b>	<b>761,780</b>	<b>819,068</b>	<b>7.5%</b>
Deferred Outflows of Resources	144,437	203,820	41.1%
<b>Liabilities</b>			
Bonds Payable - Due in One Year	24,307	24,197	-0.5%
Bonds Payable - Due in More Than One Year	315,307	290,945	-7.7%
Other Liabilities	499,762	624,039	24.9%
<b>Total Liabilities</b>	<b>839,376</b>	<b>939,181</b>	<b>11.9%</b>
Deferred Inflows of Resources	414,334	373,710	-9.8%
<b>Net Position</b>			
Net investments in capital assets	186,515	197,618	6.0%
Restricted	148,496	70,381	-52.6%
Unrestricted (deficit)	(682,504)	(558,002)	-18.2%
<b>Total Net Deficit</b>	<b>\$ (347,493)</b>	<b>\$ (290,003)</b>	<b>-16.5%</b>

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

Deferred outflows of \$203.8 million and deferred inflows of \$373.7 million, an increase of \$59.4 million and a decrease of \$40.6 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 and OPEB liability.

The School District's combined governmental net deficit decreased by approximately \$57.5 million or 16.5%. At June 30, 2021, the total liabilities and deferred inflows of resources exceeded the total assets and deferred outflows of resources by \$290.0 million (net deficit).

As shown in Table 3 below, the School District's total revenues from governmental activities remained flat at \$516.6 million with the State Aid funding reduction replaced by the new Federal CARES Act funding.

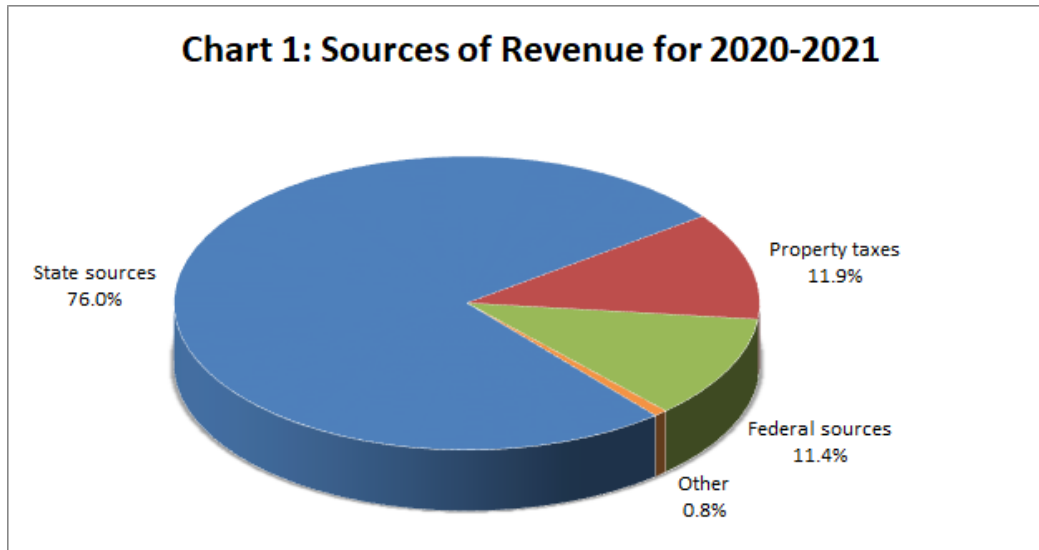
The cost of all governmental programs and services decreased by 1.0% or \$4.9 million. Virtual summer school and remote and hybrid instruction throughout the year resulted in savings in transportation, operational and staffing costs that were offset by investments in technology for staff and students, increased debt service costs, and salary cost increases for contractual increases and estimated negotiation settlements.

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

	Governmental Activities		Percentage Change
	2020 (as restated)	2021	
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 427	\$ 360	-15.7%
Operating Grants and Contributions	77,929	73,969	-5.1%
General Revenues:			
Property Taxes and Other Taxes	61,850	61,999	0.2%
State and Local Sources	369,324	360,952	-2.3%
Federal Sources	1,758	16,482	837.5%
Use of Money and Property	1,616	84	-94.8%
Miscellaneous	3,767	2,719	-27.8%
Total Revenues	<u>516,671</u>	<u>516,565</u>	0.0%
<b>Expenses</b>			
General Support	70,917	58,918	-16.9%
Instruction	347,458	361,847	4.1%
Pupil Transportation	21,729	14,985	-31.0%
Community Service	1,389	1,503	8.2%
School Food Service Program	11,746	10,040	-14.5%
Interest	10,695	11,782	10.2%
Total Expenses	<u>463,934</u>	<u>459,075</u>	-1.0%
<b>Increase (Decrease) in Net Position</b>	<u>\$ 52,737</u>	<u>\$ 57,490</u>	-9.0%

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

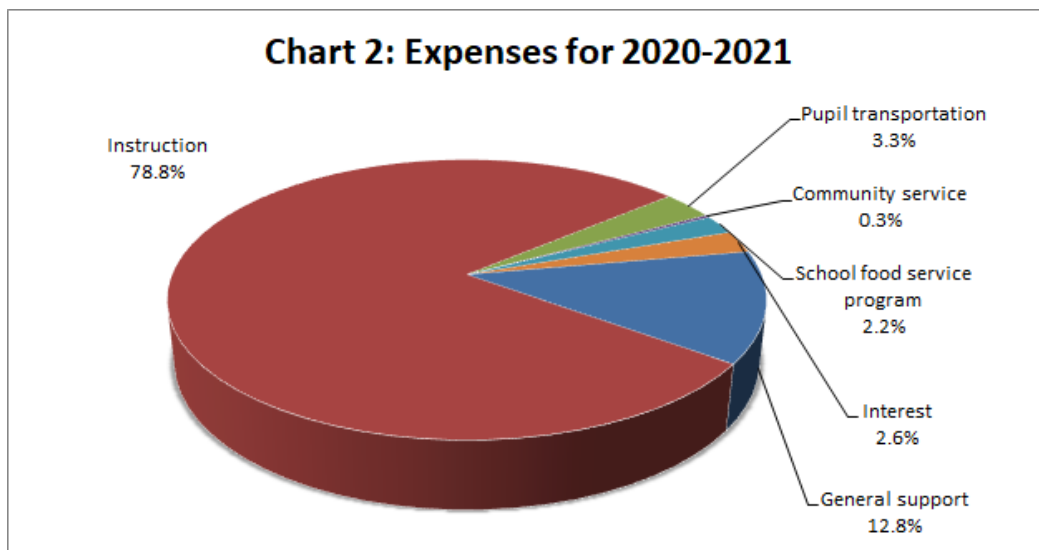
The School District is dependent on New York State and Federal funding sources for financing day to day operations with these two funding sources comprising 87.4% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.



The School District spent 78.8% of total expenditures on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 2.2% 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 3.3% of total expenditures.

General Support services such as custodial, maintenance, accounting and administrative services made up approximately 12.8% of total expenditures.



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

At June 30, 2021, the School District's governmental funds reported a combined fund balance of \$167.3 million, which is a decrease of \$53.2 million from the prior year combined fund balance of \$220.5 million (as restated). 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 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, 2021, is \$99.9 million, which is an increase of \$25.6 million from the prior year fund balance of \$74.3 million. Of the balance at June 30, 2021, \$89.5 million was unassigned. The unassigned fund balance represents 21.3% of the total current year General Fund expenditures, while total fund balance represents 23.8% of that same amount. In November 2021, the School District Board of Education committed \$10 million for the Countywide STEAM High School construction project, \$10 million for Capital Projects and \$20 million for a minimum 4% set-aside. Additionally, \$25 million was assigned to balance future years' budgets when the federal pandemic relief funds phase-out in 2022-23 and 2023-24 fiscal years.

### **JSCB**

At June 30, 2021, JSCB, a blended component unit, reported a fund balance of \$47.7 million, which is a decrease of \$80.2 million from the prior year fund balance of \$127.9 million as spending continues on school renovation projects. The entire amount of the fund balance is reserved for use in the related JSCB construction and renovation projects to be completed throughout the School District.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The School District's original adopted General Fund budget was \$457.5 million, consisting of the current year's operating budget of \$449.9 million and prior year's encumbrances of \$7.6 million. The final amended budget was reduced by \$15.6 million to \$441.9 million of expenditures, which included \$434.3 million for the current year's operations and \$7.6 million for the prior year's encumbrances. Amendments made during the year included modifications to state aid funding amounts and the addition of Federal CARES Act funding.

The actual charges to appropriations (expenditures) were \$21.8 million or 4.9% less than the final budget amount of \$441.9 million. Health and prescription costs were less than budget by \$4.0 million. The School District is self-insured paying actual claims as incurred, so dollar-for-dollar savings were recognized from this year's lower than anticipated claim volume due to the pandemic as well as cost savings from implementing new Medicare Advantage Prescription Drug (MAPD) plan and continuation of high deductible healthcare plan for new hires. Vacancies and a reduction in the need for substitutes during remote and hybrid instruction caused salary costs to be \$4.3 million lower. Employee benefit costs including retirement, FICA and Medicare costs were reduced as a result of the lower salary expenditures as well reduced workers' compensation and unemployment costs with total employee benefit costs coming in \$4.0 million lower than planned.

Instructional materials costs were \$4.6 million less than budget mainly due to reduced supply needs during periods of remote and hybrid instruction and orders for student and staff devices, instructional materials and furniture that were delayed in delivery and won't be received and expensed until 2021-22. Additionally, transportation contract costs were \$828 thousand less than anticipated for the year based on reduced needs during periods of remote and hybrid instruction.

## GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Resources available for appropriation (revenues) excluding the use of fund balance were approximately \$3.4 million, or 0.8% less than the final budgeted amount of \$449.0 million. The School District had lower than anticipated State Aid mainly as a result of reduced reimbursement funding for Transportation Aid as actual transportation spending was lower due to the remote and hybrid learning periods as well as lower High Cost Excess Cost Aid and BOCES and Special Services Aid due to the actual student needs. Operating transfers in were also less than anticipated as actual grant expenditures were lower resulting in a reduced indirect cost allocation to the General Fund.

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, 2021.

## CAPITAL ASSETS

At June 30, 2021, the School District had \$497.0 million, net of depreciation and amortization, invested in a broad range of capital assets, including land, buildings, athletic facilities, vehicles, software and other equipment for governmental activities. This amount represents a net increase of \$70.1 million or 16.4% from last year. The School District added an additional \$79.5 million to construction in progress as major renovations at various schools throughout the School District continue under Phase II of the JSCB school reconstruction program and transferred \$3.3 million from construction in progress to fixed assets for the completion of the welding shop at Corcoran High School, Smart Schools Bond Act (SSBA) projects, press box and bleachers at PSLA at Fowler High School and the boiler replacement at Seymour Dual Language Academy.

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

	Governmental Activities		Percentage Change
	2020	2021	
Land	\$ 1,480	\$ 1,480	0.0%
Land Improvements	2,474	2,372	-4.1%
Buildings and Improvements	253,598	247,619	-2.4%
Furniture and Equipment	4,240	4,891	15.4%
Vehicles	2,284	1,772	-22.4%
Software	824	570	-30.8%
Construction in Progress	162,037	238,286	47.1%
Total	<u>\$ 426,937</u>	<u>\$ 496,990</u>	16.4%

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



## DEBT ADMINISTRATION

At June 30, 2021, the School District had \$315.1 million of bonds payable outstanding compared to \$339.6 million last year, a decrease of \$24.5 million or 7.2%. The School District issued \$26.4 million in refunding bonds to refinance Series 2010 and 2011A bonds issued for JSCB Phase I projects which will decrease future debt service payments over the next 7 years by \$3.0 million. The District also made principal payments of \$21.7 million during the year. New debt issuances are not anticipated to be needed again until JSCB Phase III construction begins.

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

## NEXT YEAR'S BUDGET

In developing the School District's 2021-22 budget, great care was taken to consider the health, safety and well-being of our students and staff while maintaining focus on the priorities in our Strategic Plan, the needs of our students, the wishes of our staff, and the requests from many voices in our community while continuing to align our work to the Strategic Plan for both short-term and long-term success while adjusting to new regulations and mandates.

The 2021-22 school year is anticipated to be one of tremendous change and tremendous challenge for the School District. The financial, economic, and social-emotional toll from this pandemic will have long lasting impacts on the budget. Increases to both Foundation Aid and Federal Stimulus funding provide a unique opportunity for the School District to support our students and staff as we navigate the impacts of the pandemic to continue to provide high-quality educational opportunities to all our students during this pandemic.

For 2021-22, the School District has two schools in receivership (Lincoln and Clary Middle Schools), down from 18 in 2015, and these schools will continue transformation with International Baccalaureate and AVID models. STEAM at Dr. King Elementary, Brighton Academy and Syracuse STEM at Blodgett, all opened in September 2019 with significant changes in thematic programming, staff, support services, climate and culture. Additionally, the School District continues the phase-in of new programming of Montessori at LeMoyné and Syracuse Latin schools. The School District will comply with updated Every Student Succeeds Act (ESSA) accountability mandates and regulations, including any flexibilities and waivers resulting from COVID-19 and continue to raise expectations for our staff and students and to build the supports needed to help them achieve their goals as they persevere in the current circumstances.

Specifically, the budget includes the following priorities:

- 1. Engaging our families and communities**, as strong school communities engender strong students, lead to academic success and prepare children for active citizenship and successful careers. The School District continues to engage the public to participate in the budget process Districtwide with Balancing Act, and in our school buildings with seven schools implementing Participatory Budgeting.
- 2. Embedding culturally responsive practices** in all that we do, bridging the gap between what students learn in the classroom from their studies and their teachers, and what they experience in the community. Our day-to-day interactions will encourage and embrace the wonderful diversity of our school communities.
- 3. Providing dynamic, rigorous curriculum and instruction**, which includes personalized learning at every grade level to ensure our students graduate prepared for a successful transition into higher education, careers, and active citizenship. These initiatives span all grades from an Early Literacy Initiative for our youngest learners to expanding our Career and

Technical Education (CTE) Programs for high school students. This year, we are adding intensive mathematics supports and extensive summer school programming to ensure acceleration and remediation opportunities for all students.

**4. Recruiting, developing, supporting, and retaining the most effective diverse staff** who play a vital role in the growth and success of our children. We are strengthening partnerships with teacher prep programs, investing in high-quality professional development and opening a CTE pathway for urban teachers to grow our own future teacher and leader staff with School District graduates. This past year demonstrated the immense passion and integrity of our instructional staff and I pledge to honor their hard work with professional development and support.

**5. Safety and Security of children and staff is paramount.** We are exploring ways to increase and improve security in our buildings including the use of additional cameras and monitoring equipment throughout the District. We will continue providing transportation to all K-8 students at one mile. Each school building is equipped with personal protective equipment for students and staff, air purifiers in classrooms, and trifold desktop partitions. Our maintenance staff is trained on CDC sanitizing protocols. In addition, the School District is increasing the staff and supply budget for our Health Services department to ensure that our medical professionals have the resources needed. We will enhance the mental health and social-emotional supports to our students and their families as well as for our staff in the coming year.

In comparing the 2021-22 Budget to the current year, the significant change is less reliance on one-time funding sources and more reliance on state aid. We are thankful to our representatives in Albany for ensuring that additional funding was provided in the enacted state budget to support our students. It is essential that we continue to work collaboratively with our local, state and federal representatives to achieve equitable and adequate funding for our students.

The School District's portion of the Property Tax Levy including STAR revenue increased by \$523 thousand from the 2020-21 amended budget amount and State Aid increased by approximately \$27.3 million or 7.6% mainly due to an increase in Foundation Aid funding. No fund balance is planned to be used to fund operations in 2021-22.

In order to balance the budget, the School District will continue to apply for a special apportionment provided pursuant to the New York State Laws of 2021 which allows school districts to accrue a portion of their subsequent year's State Aid into the current fiscal year.

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

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

### **Challenges**

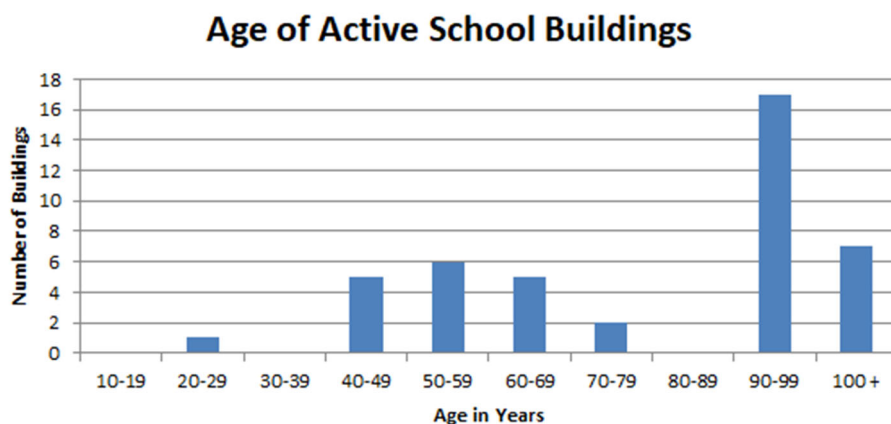
As a dependent school district without the authority to raise taxes or issue debt, the School District is directly affected by Local and State economic conditions. Like many urban districts, the School District operates in an environment of fluctuating enrollment, increasing costs of operations (primarily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

The COVID-19 Pandemic has had a significant impact on the School District's operations and financial results and spending for 2020-2021. Unplanned expenditures related to protecting the health and safety of students and staff and investments in technology to support remote learning both increased expenses. Remote and hybrid instruction resulted in significant cost savings in transportation, building maintenance and utilities, and staffing costs for reductions in the need for substitutes, extended learning time and professional development occurring outside the standard work day.

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

As the pandemic continues, the impact on students continues to grow. The School District will remain flexible in its instructional models for remote, hybrid and in-person instruction to best protect and promote the health and safety of students and staff and will offer social emotional supports and academic supports to address learning loss resulting from the pandemic now and in future years.

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



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

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

### Notable Initiatives

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

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

#### *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.

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

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. The School District's property tax revenue was reduced by approximately \$276 thousand in the current fiscal year for these transfers and other adjustments.

### *Inter-Municipal Agreements*

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

### *Joint Schools Construction Board*

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

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

In 2013, the State approved an amendment to the Syracuse Cooperative School Reconstruction Act authorizing a second group of reconstruction projects (JSCB Phase II) for an amount not to exceed \$300 million. The Phase II Financial Plan currently includes renovations at 13 school buildings at a total estimated cost of \$291.5 million. JSCB Phase II construction commenced in mid-2018 and is anticipated to be completed in late 2022. 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.

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

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

### **STEAM High School**

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

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

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

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

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

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

As a result, in April 2007, the New York State Legislature enacted the State Education Budget and Reform Act of 2007 (Education Act) to offer resources and aid to the highest-need students in the lowest-performing schools. The Legislature passed a budget for the 2008-09 school year that fully funded the aid increases contained in the Education Act. However, school aid was then frozen in the 2009-10 budget due to the State's fiscal challenges, and remained frozen through the 2011-12 school year. Modest increases in school aid were then provided beginning in 2012-13 continuing through the onset of the pandemic. The State experienced a significant reduction in revenue and increase in costs due to the pandemic and as a result replaced a portion of its State Aid funding to school districts with Federal CARES Act grant funding for the 2020-21 school year.

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

During this period of moderate increases in school based funding, in February 2014, New Yorkers for Students' Educational Rights (NYSER) filed a lawsuit (*NYSER v. State of New York*) on behalf of a group of parents and students from across the State alleging that the State was not providing sufficient funds to schools to allow for all schools to provide the required sound basic education to all students throughout the State. The New York Court of Appeals ruled on this lawsuit in June 2017 determining that the lawsuit could only move forward to trial on behalf of students in New York City and Syracuse, as opposed to all students, because the lawsuit alleged specific deficiencies in these specific districts. A settlement was reached in this case in October 2021. The agreement requires the State to increase funding for Foundation Aid to school districts over the next three years so that Foundation Aid will be fully funded by fiscal year 2024. The anticipated increases in funding are \$19.8 billion or 30% in 2022, \$21.3 billion or 50% in 2023, and finally \$23.2 billion in 2024, fully funding Foundation Aid for all school districts statewide.

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

In response to the economic and social impacts of the COVID-19 pandemic on states nationwide, the U.S. Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act's (CRRSA Act's) Elementary and Secondary School Emergency Relief (ESSER 2) Fund in December 2020 and the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief (ESSER) Fund in March 2021. The State has been allocated just over \$4 billion under the CRRSA Act and nearly \$9 billion under the ARP Act. The School District's portion of these allocations is \$48.4 million for CRRSA and \$108.9 million for ARP. CRRSA Act funding must be used by September 30, 2023 and ARP Act funding by September 30, 2024. The School District has applied to the New York State Education Department for the full amount of funding available. The School District's funding application has been approved for the CRRSA funding and its application is under review for the ARP funding.

The CRRSA and ARP Acts funding is planned to be used for:

- Acceleration of Instruction - in response to the effects of lost instructional time for students during the COVID-19 pandemic, the School District plans to support a variety of initiatives to accelerate instruction. Beginning in the summer of 2021, the School District plans to implement full day summer school programming, expanded to six weeks versus the traditional four weeks, with a focus on enrichment activities as well as implementing academic intervention services focused in the core academic areas of reading and mathematics, supports for students with special needs and language and literacy supports for English Language Learners. For the 2021-22 school year, students are planned to have increased exposure to field trips, additional instructional supplies and sensory materials and the School District is also planning a fully remote Virtual Academy option for high school students, with the potential to include some middle school students as well.
- Social Emotional Supports - funding will help provide students with additional access to psychologists, social workers, and counselors as they return to in person instruction as well as provide instructional materials, supplemental materials and textbooks that are supportive of students' social emotional needs and culturally inclusive instruction. An attendance initiative to address chronic absenteeism is proposed for the 2021-22 school year and the School District will partner with community agencies to provide additional supports for students. Teams will be assembled and deployed this summer to locate kids with chronic absenteeism during the pandemic to ensure they are registering for and attending summer school and the upcoming school year.

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

- Air Quality and Safety - to help enhance air quality and safety in our buildings, the School District plans to purchase additional air purifiers and filters and plans upgrades to HVAC controls and enhancements to flooring and windows to buildings.
- Technology - to better provide students with technology and connectivity both in school and during unexpected times of remote instruction, the School District plans to purchase additional mobile hot spots and computers to provide laptops for every high school student beginning in 2021-22 and continuing with implementation for incoming ninth graders in the following years.
- Professional Development - plans are underway to increase instructional coaching and support for technology integration as well as offering professional development opportunities in the areas of math and reading intervention, culturally responsive practices, social emotional learning, project-based learning and Advanced Placement (AP) course offerings.

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

CRRSA Act and ARP Act monies are non-recurring or "one-time" revenue streams which are being used for a combination of non-recurring and recurring expenditures. Looking ahead, the School District is mindful that a gap will be created in future years' budgets as these one-time revenue streams are no longer available for the 2023-24 and 2024-25 fiscal years. As a result, the School District will need to fill this funding gap through a combination of using fund balance to continue the staffing and services that are of most benefit and by reducing other staffing levels and services in conjunction with the end of these one-time revenue streams.

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

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

The Office of the Chief Financial Officer  
Syracuse City School District  
1025 Erie Blvd. West  
Syracuse, New York 13204-2749  
Fax (315) 435-6321  
Telephone (315) 435-4826

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, 2021**

	Governmental Activities
<b>ASSETS</b>	
Pooled cash and cash equivalents held by City	\$ 78,854,411
Pooled cash and cash equivalents held by City - RAN repayment	85,967,000
Pooled cash and cash equivalents held by School District	14,532
Pooled Restricted cash and cash equivalents held by City	64,244,431
Pooled Restricted cash and cash equivalents held by School District	169,870
Receivables:	
State and Federal aid	81,204,951
Due from other governments	312,913
Due from City	4,432,392
Other	4,898,942
Inventories	1,803,904
Prepaid expenses	174,417
Capital assets, net of accumulated depreciation/ amortization	496,989,857
Total Assets	<u>819,067,620</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources- OPEB	64,793,509
Deferred outflows of resources- TRS Pension	106,886,205
Deferred outflows of resources- ERS Pension	31,656,817
Deferred outflows of resources - Bond Refundings	483,505
Total Deferred Outflows of Resources	<u>203,820,036</u>
<b>LIABILITIES</b>	
Payables:	
Accounts payable	18,034,223
Accrued expenses	9,863,968
Accrued payroll	15,395,232
Due to other governments	913,138
Accrued interest	3,830,982
Due to Fiduciary Funds	1,974
Revenue anticipation notes	85,967,000
Due to retirement systems	21,600,232
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	28,321,804
Self-insured employee health plan claims	1,068,859
Self-insured workers' compensation claims	3,932,961
Due and payable in more than one year:	
Bonds payable, net of current portion	332,223,067
Self-insured workers' compensation claims	29,818,630
Compensated absences payable	6,482,877
Total other postemployment benefits	349,878,086
Net pension liability - TRS	31,697,388
Net pension liability - ERS	150,220
Total Liabilities	<u>939,180,641</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources- Lottery Aid	14,983,334
Deferred inflows of resources- TRS Pension	19,027,385
Deferred inflows of resources- ERS Pension	43,806,518
Deferred inflows of resources- OPEB	295,892,736
Total Deferred Inflows of Resources	<u>373,709,973</u>
<b>NET POSITION</b>	
Net investment in capital assets	197,617,926
Restricted	70,380,550
Unrestricted (deficit)	(558,001,434)
Total Net Position	<u>\$ (290,002,958)</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, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants & Contributions	
General support	\$ 58,918,316	\$ -	\$ -	\$ (58,918,316)
Instruction	361,845,883	270,780	60,792,599	(300,782,504)
Pupil transportation	14,985,399	-	-	(14,985,399)
Community service	1,503,341	-	1,658,682	155,341
School food service program	10,039,894	89,074	11,518,031	1,567,211
Interest	11,782,430	-	-	(11,782,430)
	<b>\$ 459,075,263</b>	<b>\$ 359,854</b>	<b>\$ 73,969,312</b>	<b>(384,746,097)</b>
<b>GENERAL REVENUES</b>				
General property taxes				61,247,086
Nonproperty taxes				751,558
Use of money and property				83,896
Sale of property and compensation for loss				126,436
Miscellaneous				2,592,525
State and local sources				360,952,160
Federal sources				16,482,239
				<b>442,235,900</b>
Change in Net Position				<b>57,489,803</b>
Total Net Position - beginning of year				(347,659,898)
Prior Period Adjustment (See Note 12)				<b>167,137</b>
Total Net Position - beginning of year, as restated				<b>(347,492,761)</b>
Total Net Position - end of year				<b>\$ (290,002,958)</b>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
<b>ASSETS</b>					
CASH:					
Pooled cash and cash equivalents held by City	\$ 78,854,411	\$ -	\$ -	\$ -	\$ 78,854,411
Pooled cash and cash equivalents held by City - RAN repayment	85,967,000	-	-	-	85,967,000
Pooled cash and cash equivalents held by District	14,532	-	-	-	14,532
Pooled restricted cash and cash equivalents held by City	3,554,996	-	60,689,435	-	64,244,431
Pooled restricted cash and cash equivalents held by District	-	-	-	169,870	169,870
RECEIVABLES:					
Due from other funds	592,412	-	-	15,270,775	15,863,187
State and Federal aid	56,041,855	19,964,972	-	5,198,124	81,204,951
Due from other governments	312,913	-	-	-	312,913
Due from JSCB	6,847,344	-	-	-	6,847,344
Due from the City	4,432,392	-	-	-	4,432,392
Other	1,864,617	3,021,007	-	13,318	4,898,942
INVENTORY	1,193,966	-	-	609,938	1,803,904
PREPAID EXPENDITURES	174,417	-	-	-	174,417
Total assets	<u>\$ 239,850,855</u>	<u>\$ 22,985,979</u>	<u>\$ 60,689,435</u>	<u>\$ 21,262,025</u>	<u>\$ 344,788,294</u>
<b>LIABILITIES</b>					
PAYABLES:					
Accounts payable	\$ 12,065,771	\$ 4,957,488	\$ -	\$ 1,010,964	\$ 18,034,223
Accrued expenses	3,744,319	-	6,119,649	-	9,863,968
Accrued payroll	13,607,029	1,094,536	-	693,667	15,395,232
Due to other governments	-	912,307	-	831	913,138
Accrued Interest	1,289,505	-	-	-	1,289,505
Due to other funds	-	15,865,161	-	-	15,865,161
Due to the School District	-	-	6,847,344	-	6,847,344
NOTES PAYABLE:					
Revenue anticipation notes	85,967,000	-	-	-	85,967,000
OTHER LIABILITIES:					
Due to retirement systems	21,600,232	-	-	-	21,600,232
Self-insured workers' compensation claims	1,676,451	-	-	-	1,676,451
Total liabilities	<u>139,950,307</u>	<u>22,829,492</u>	<u>12,966,993</u>	<u>1,705,462</u>	<u>177,452,254</u>
<b>FUND BALANCE</b>					
NON-SPENDABLE	1,368,383	-	-	609,938	1,978,321
RESTRICTED	3,554,996	156,487	47,722,442	18,946,625	70,380,550
ASSIGNED	5,466,631	-	-	-	5,466,631
UNASSIGNED	89,510,538	-	-	-	89,510,538
Total fund balance	<u>99,900,548</u>	<u>156,487</u>	<u>47,722,442</u>	<u>19,556,563</u>	<u>167,336,040</u>
Total liabilities and fund balance	<u>\$ 239,850,855</u>	<u>\$ 22,985,979</u>	<u>\$ 60,689,435</u>	<u>\$ 21,262,025</u>	<u>\$ 344,788,294</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

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

Total governmental fund balance	\$ 167,336,040
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	496,989,857
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.	483,505
Pension related government wide activity	
Deferred outflows of resources	138,543,022
Net pension liability	(31,847,608)
Deferred inflows of resources	(62,833,903)
Accrued interest not paid and therefore not reported in the funds	(2,541,477)
Deferred inflows- Other postemployment benefits (OPEB)	(295,892,736)
Deferred outflows- Other postemployment benefits (OPEB)	64,793,509
Deferred inflows- Lottery Aid	(14,983,334)
Long-term liabilities, including bonds payable, compensated absences and other employee benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(750,049,833)</u>
Net position of governmental activities	<u>\$ (290,002,958)</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 61,247,086	\$ -	\$ -	\$ -	\$ 61,247,086
Nonproperty taxes	751,558	-	-	-	751,558
Charges for services	270,780	-	-	-	270,780
Use of money and property	57,261	-	26,629	6	83,896
Sale of property and compensation for loss	122,526	-	-	3,910	126,436
Miscellaneous	2,380,032	-	123,421	89,072	2,592,525
State and local sources	359,732,750	31,484,649	-	4,842,611	396,060,010
Federal sources	15,759,226	30,966,632	723,013	10,475,483	57,924,354
Surplus food	-	-	-	750,888	750,888
Sales - School Food Service Program	-	-	-	89,074	89,074
Pass-through New York State funding from the School District	-	-	26,024,823	-	26,024,823
<b>Total revenues</b>	<b>440,321,219</b>	<b>62,451,281</b>	<b>26,897,886</b>	<b>16,251,044</b>	<b>545,921,430</b>
<b>EXPENDITURES</b>					
General support	65,762,870	-	-	7,207,390	72,970,260
Instruction	296,593,960	60,349,408	-	4,333,752	361,277,120
Pupil transportation	16,045,797	-	-	-	16,045,797
Community service	-	1,646,590	-	-	1,646,590
Pass-through New York State funding to JSCB	26,024,823	-	-	-	26,024,823
Debt service:					
Principal	-	-	16,765,000	4,912,000	21,677,000
Interest	1,323,310	-	15,032,793	993,029	17,349,132
Debt issuance costs	-	-	453,292	-	453,292
Cost of sales	-	-	-	3,731,675	3,731,675
Capital outlay	-	-	78,222,277	1,299,855	79,522,132
<b>Total expenditures</b>	<b>405,750,760</b>	<b>61,995,998</b>	<b>110,473,362</b>	<b>22,477,701</b>	<b>600,697,821</b>
Excess (deficiency) of revenues over expenditures	<u>34,570,459</u>	<u>455,283</u>	<u>(83,575,476)</u>	<u>(6,226,657)</u>	<u>(54,776,391)</u>
<b>OTHER FINANCING SOURCES AND USES</b>					
Premium on issuance of revenue anticipation notes	1,163,134	-	-	-	1,163,134
Proceeds of refunding bonds	-	-	26,440,000	-	26,440,000
Premium on refunding bonds	-	-	3,954,638	-	3,954,638
Payment to refunded bond escrow agent	-	-	(29,933,832)	-	(29,933,832)
Operating transfers in	4,137,282	1,777,686	3,632,744	8,908,470	18,456,182
Operating transfers out	(14,318,899)	(2,109,627)	(723,013)	(1,304,643)	(18,456,182)
<b>Total other financing sources (uses)</b>	<b>(9,018,483)</b>	<b>(331,941)</b>	<b>3,370,537</b>	<b>7,603,827</b>	<b>1,623,940</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>25,551,976</u>	<u>123,342</u>	<u>(80,204,939)</u>	<u>1,377,170</u>	<u>(53,152,451)</u>
Fund balance - beginning of year	74,348,572	33,145	127,927,381	18,012,256	220,321,354
Prior period adjustment (See Note 12)	-	-	-	167,137	167,137
Fund balance - beginning of year, as restated	<u>74,348,572</u>	<u>33,145</u>	<u>127,927,381</u>	<u>18,179,393</u>	<u>220,488,491</u>
Fund balance - end of year	<u>\$ 99,900,548</u>	<u>\$ 156,487</u>	<u>\$ 47,722,442</u>	<u>\$ 19,556,563</u>	<u>\$ 167,336,040</u>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK  
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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Net change in fund balance - Total governmental funds	\$ (53,152,451)
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 that are reported in the governmental funds that are not reported as revenue in the statement of activities.	(2,314,875)
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.	80,779,610
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(10,726,390)
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.	21,677,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. In addition, amortization of bond premiums and deferred outflows for bond refundings do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	4,403,568
Some expenses reported in the statement of activities, such as compensated absences and other employee benefits do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	39,252,596
Pension income / (expense) resulting from GASB 68 related pension reporting is not recorded as income / (expense) in the government funds, but is recorded in the statement of activities.	(21,968,449)
Payments of debt to an escrow agent are an other financing use in the governmental funds, but a debt payment decreases long-term liabilities in the statement of net position.	29,933,832
Proceeds from debt are an other financing source in the governmental funds, but a debt issuance increases long-term liabilities in the statement of net position.	(26,440,000)
Premiums on debt are an other financing source in the governmental funds, but are deferred and amortized over the life of the debt issued in the statement of net position.	<u>(3,954,638)</u>
Change in net position of governmental activities	<u>\$ 57,489,803</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, 2021**

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	<u>Private Purpose Trusts</u>
<b>ASSETS</b>	
Restricted cash held by School District	\$ 26,199
Due from other funds	<u>1,974</u>
Total assets	<u>28,173</u>
<b>LIABILITIES</b>	
Due to other funds	-
Other liabilities	<u>-</u>
Total liabilities	<u>-</u>
<b>NET POSITION</b>	
Held in trust for scholarships	<u>\$ 28,173</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, 2021**

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	Private Purpose Trusts
	<u>                    </u>
<b>ADDITIONS</b>	
Contributions	\$ 7,567
Investment income	<u>4,283</u>
 Total additions	 <u>11,850</u>
 <b>DEDUCTIONS</b>	
Loss on investment	-
Scholarships and awards	<u>112,442</u>
 Total deductions	 <u>112,442</u>
 Change in net position	 (100,592)
Net position - beginning of year	<u>128,765</u>
Net position - end of year	<u><u>\$ 28,173</u></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, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City School District of Syracuse, New York (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the School District are described below.

**A. Financial Reporting Entity**

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

The reporting entity of the School District is based upon criteria set forth by GASB Statement 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement 61, 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)*

Under GASB Statement 61, JSCB is a blended component unit of the School District based on the criteria that JSCB provides services almost exclusively to the School District. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, City Hall, Syracuse, New York 13202. JSCB has a fiscal year which ends June 30.



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

### B. Basis of Presentation

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

The Statement of Net Position and the Statement of Activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

#### *Fund Financial Statements:*

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

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

#### **General Fund**

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

#### **Special Aid Fund**

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

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

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

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

### B. Basis of Presentation (Continued)

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

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

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

#### **Capital Projects Fund**

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

#### **Debt Service Fund**

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

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

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

#### **Permanent Fund**

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

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

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

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

### C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

### D. Revenue, Expenditures and Expenses

#### Property Taxes

Real property taxes are levied annually by the 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 by fiscal agents, 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. GASB Statement No. 40 directs 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, 2021, \$35,950,944 of the bank balances were uninsured and exposed to credit risk. This amount was covered by collateral held in the pledging banks' trust department.

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 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.

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

<u>Type of Asset</u>	<u>Estimated Useful Lives</u>
Land improvements	20 years
Buildings and improvements	39 years
Furniture and equipment	6 -10 years
Vehicles	3 - 9 years
Software	5 -10 years

### 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.

### K. Compensated Absences

Compensated absences consist of unpaid vested annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with governmental accounting standards, an accrual for vested sick leave and vacation time is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on contractual provisions.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, the General Fund reports only the compensated absence liability payable from expendable available financial resources. These amounts are expensed on a pay-as-you-go basis.

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

### 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 6,300 individuals receiving benefits under the plan. The School District has recorded in the government-wide statement of net position other postemployment benefits totaling \$349,878,086 as of June 30, 2021.

### 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.

### N. Equity Classifications

#### *Government-wide Statements*

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

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

Restricted net position includes the following:

General Fund	\$ 3,554,996
Special Aid Fund	156,487
Joint Schools Construction Board (JSCB)	47,722,442
School Food Service Fund	5,946,964
Capital Projects	11,885,177
Debt Service	965,164
Miscellaneous Special Revenue Fund	132,280
Permanent Fund	17,040
Total restricted net position	<u>\$ 70,380,550</u>

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## N. Equity Classifications (Continued)

### *Government-wide Statements (Continued)*

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

### *Fund Statements*

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

- a. Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory and prepaid expenses recorded in the General Fund of \$1,368,383, and the inventory in the School Food Service Fund of \$609,938.
- 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.
- 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. The District did not have any committed fund balance as of June 30, 2021.
- 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 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, 2021, the School District's General Fund encumbrances amounted to \$5,466,631, classified as follows:

General Support	\$ 3,840,612
Instruction	1,553,181
Transportation	<u>72,838</u>
Total General Fund encumbrances	<u>\$ 5,466,631</u>



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

### N. Equity Classifications (Continued)

#### *Fund Statements (Continued)*

##### d. Assigned (Continued)

Appropriated fund balance designated during the budgetary process for use to fund operating expenditures in the next fiscal year is also included in Assigned Fund Balance. The School District did not appropriate any fund balance to be used to fund fiscal year 2021-2022 operating expenditures.

- 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.

### O. Economic Dependency

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

### P. Use of Estimates

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

## 2. BUDGETS AND BUDGETARY ACCOUNTING

### Budget Policies

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

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

## 3. INTERFUND TRANSACTIONS

To improve cash management, most disbursements are made from a pooled account in the General Fund. Interfund receivables and payables exist primarily due to this cash management practice, as well as normal delays in processing interfund transfers and reimbursement. Interfund balances and transfers are short term in nature and are typically repaid in less than one year. The following schedule summarizes interfund transactions during the year ended June 30, 2021 and balances at June 30, 2021:

Fund	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 7,439,756	\$ -	\$ 4,137,282	\$ 14,318,899
Special aid	-	15,865,161	1,777,686	2,109,627
JSCB	-	6,847,344	3,632,744	723,013
School food service	2,223,965	-	-	1,304,643
Capital projects	12,081,646	-	3,003,441	-
Debt service	965,164	-	5,905,029	-
Private purpose trust	1,974	-	-	-
<b>Total</b>	<b>\$ 22,712,505</b>	<b>\$ 22,712,505</b>	<b>\$ 18,456,182</b>	<b>\$ 18,456,182</b>

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Disposals/ Transfers	Balance at June 30, 2021
Land (not depreciable)	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Land improvements	6,546,593	31,622	-	6,578,215
Buildings and improvements	482,167,106	2,611,740	-	484,778,846
Furniture and equipment	13,049,558	1,522,499	(308,440)	14,263,617
Vehicles	6,710,029	364,268	(478,065)	6,596,232
Software	7,056,842	-	-	7,056,842
Construction in progress (not depreciable)	162,036,521	79,521,113	(3,271,632)	238,286,002
<b>Total Capital Assets</b>	<b>679,046,974</b>	<b>84,051,242</b>	<b>(4,058,137)</b>	<b>759,040,079</b>
Less: Accumulated depreciation/amortization				
Land improvements	(4,072,998)	(133,205)	-	(4,206,203)
Buildings and improvements	(228,569,494)	(8,590,479)	-	(237,159,973)
Furniture and equipment	(8,809,550)	(871,907)	308,440	(9,373,017)
Vehicles	(4,425,710)	(876,381)	478,065	(4,824,026)
Software	(6,232,585)	(254,418)	-	(6,487,003)
<b>Total Accumulated depreciation/amortization</b>	<b>(252,110,337)</b>	<b>(10,726,390)</b>	<b>786,505</b>	<b>(262,050,222)</b>
<b>Capital assets, net</b>	<b>\$ 426,936,637</b>	<b>\$ 73,324,852</b>	<b>\$ (3,271,632)</b>	<b>\$ 496,989,857</b>

All capital assets including intangibles, with the exception of land and construction in progress, are being depreciated/amortized over their estimated useful lives.

Depreciation/amortization expense was charged as follows:

Instruction	\$ 8,563,826
Support Services:	
General	1,729,710
Pupil transportation	380,355
School Food Service	52,499
Total depreciation/amortization expense	<u>\$10,726,390</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, 2021:

	Balance at <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2021</u>	Amount due <u>in one year</u>	Due in more than <u>one year</u>
Bonds payable:						
Bonds payable	\$ 339,614,000	\$ 26,440,000	\$ 50,912,000	\$ 315,142,000	\$ 24,197,000	\$ 290,945,000
Premiums on bonds payable	<u>45,963,276</u>	<u>3,954,638</u>	<u>4,515,043</u>	<u>45,402,871</u>	<u>4,124,804</u>	<u>41,278,067</u>
Total bonds payable	<u>385,577,276</u>	<u>30,394,638</u>	<u>55,427,043</u>	<u>360,544,871</u>	<u>28,321,804</u>	<u>332,223,067</u>
Other liabilities:						
Compensated absences payable	6,569,381	7,645,903	7,732,407	6,482,877	-	6,482,877
Total other postemployment benefits	288,104,905	75,390,234	13,617,053	349,878,086	-	349,878,086
Self-insurance health plan claims	2,113,301	49,496,991	50,541,433	1,068,859	1,068,859	-
Self-insurance workers' compensation claims	34,465,815	3,301,964	4,016,188	33,751,591	3,932,961	29,818,630
Net pension liability	<u>39,238,629</u>	<u>-</u>	<u>7,391,021</u>	<u>31,847,608</u>	<u>-</u>	<u>31,847,608</u>
Total other liabilities	<u>370,492,031</u>	<u>135,835,092</u>	<u>83,298,102</u>	<u>423,029,021</u>	<u>5,001,820</u>	<u>418,027,201</u>
Long-term liabilities	<u>\$ 756,069,307</u>	<u>\$ 166,229,730</u>	<u>\$ 138,725,145</u>	<u>\$ 783,573,892</u>	<u>\$ 33,323,624</u>	<u>\$ 750,250,268</u>

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

### Revenue and Bond Anticipation Notes Payable

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

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

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

The School District's short-term debt activity for the year ended June 30, 2021:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance at July 1, 2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance at June 30, 2021</u>
2020A RAN	July 2020	1.77%	\$ 23,664,000	\$ -	\$ 23,664,000	\$ -
2020B RAN	July 2021	2.00%	<u>-</u>	<u>85,967,000</u>	<u>-</u>	<u>85,967,000</u>
Total RANS			<u>\$ 23,664,000</u>	<u>\$ 85,967,000</u>	<u>\$ 23,664,000</u>	<u>\$ 85,967,000</u>

No Bond Anticipation Notes (BANs) were issued or redeemed during the year.

**Bonds Payable**

Bonds payable included in the accompanying Statement of Net Position represent obligations issued in the name of the City for District purposes and the City of Syracuse Industrial Development Agency for JSCB purposes. These long-term liabilities are full faith and credit debt of the School District. Appropriations are provided for redemption of the obligations and interest thereon in the budget of the School District. Bonds outstanding at June 30, 2021 consisted of the following:

<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2021</u>
September 30, 2010	2022	2.000 - 4.000	\$ 945,000
June 13, 2012	2022	2.000 - 5.000	92,000
June 30, 2020	2023	5.000	145,000
December 21, 2017	2024	3.000 - 5.000	3,090,000
May 15, 2014	2025	2.000 - 5.000	3,170,000
May 28, 2015	2027	4.000 - 5.000	3,935,000
July 12, 2011	2028	5.428	15,000,000
February 1, 2021	2028	5.000	23,645,000
April 20, 2017	2030	3.000 - 5.000	21,550,000
December 21, 2017	2030	3.000 - 5.000	4,230,000
June 23, 2017	2032	3.000 - 5.000	2,670,000
March 15, 2018	2034	3.250 - 5.000	60,925,000
June 20, 2018	2035	3.000 - 5.000	35,725,000
April 11, 2019	2035	4.000 - 5.000	59,880,000
March 3, 2020	2037	4.000 - 5.000	<u>80,140,000</u>
Total bonds outstanding			<u>\$315,142,000</u>

## 5. LONG-TERM INDEBTEDNESS (Continued)

### Bonds Payable (Continued)

Bonds payable as of June 30, 2021 are as follows:

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 24,197,000	\$ 14,821,160	\$ 39,018,160
2023	24,700,000	13,693,437	38,393,437
2024	25,430,000	12,579,988	38,009,988
2025	25,610,000	11,527,637	37,137,637
2026	26,245,000	10,491,737	36,736,737
2027 – 2031	100,920,000	34,077,438	134,997,438
2032 – 2036	87,925,000	9,349,138	97,274,138
2037	<u>115,000</u>	<u>4,600</u>	<u>119,600</u>
Totals	<u>\$ 315,142,000</u>	<u>\$ 106,545,135</u>	<u>\$ 421,687,135</u>

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

Interest paid - capital indebtedness (net of premium)	\$ 16,185,998
Less: Interest accrued in the prior year	(2,920,370)
Amortization of bond premiums	(4,124,804)
Plus: Deferred loss on refunding	100,129
Interest accrued in the current year	<u>2,541,477</u>
Total expense	<u>\$ 11,782,430</u>

On February 1, 2021, the School District issued \$26,440,000 in SIDA School Facility Revenue Bonds with a coupon rate of 5.00% to refund \$29,235,000 of outstanding Series 2010 and 2011A serial bonds with interest rates of 4.00% - 5.25%. The net proceeds of \$29,933,830 (including a premium of \$3,954,638) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the School District's financial statements. This refunding decreased total debt service payments over the next 7 years by \$3,017,241 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$3,017,578.

## 6. OPERATING LEASE COMMITMENTS AND LEASED ASSETS

The School District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2021 were approximately \$1.3 million. The minimum future non-cancelable operating lease payments as of June 30, 2021 are as follows:

2022	\$ 1,225,518
2023	641,271
2024	354,160
Thereafter	<u>398,512</u>
Total	<u>\$ 2,619,461</u>

## 7. PENSION PLANS

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

The School District participates in the New York State and Local Employee's Retirement System (NYSERS) also referred to as New York State and Local Retirement System (NYSERS or the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of NYSEERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to NYSEERS. NYSEERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in NYSEERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. NYSEERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### **Contributions**

NYSERS is noncontributory except for employees who joined the NYSEERS after July 27<sup>th</sup>, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during NYSEERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>NYSERS</u>
2021	\$ 6,148,415
2020	\$ 5,897,634
2019	\$ 5,984,280

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

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

## 7. PENSION PLANS (Continued)

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

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

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

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

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. All amounts due were remitted in full to NYSERS. No portion of the School District's retirement bill was amortized or bonded as of June 30, 2021.

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

At June 30, 2021, the School District reported a net pension liability of \$150,220 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2021, the School District's proportion was 0.1508623%, which was an increase of .0026834% from its proportionate share of 0.1481789% as measured at March 31, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$4,057,769. At June 30, 2021, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,834,588	\$ -
Changes in assumptions	27,620,538	520,932
Net difference between projected and actual earnings on pension plan investments	-	43,151,914
Changes in proportion and differences between the District's contributions and proportionate share of contributions	600,290	133,672
Contributions subsequent to the measurement date	<u>1,601,401</u>	<u>-</u>
Total	<u>\$31,656,817</u>	<u>\$43,806,518</u>



## 7. PENSION PLANS (Continued)

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

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

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

Plan's Year Ended March 31:	
2022	\$ (2,366,794)
2023	(786,657)
2024	(2,334,139)
2025	<u>(8,263,512)</u>
	<u>\$ (13,751,102)</u>

The School District recognized \$1,601,401 as a deferred outflow of resources related to pensions resulting from the School District's contributions made subsequent to the measurement date of March 31, 2021 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

#### **Actuarial Assumptions**

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.4 percent indexed by service
Projected COLAs	1.4% compounded annually
Decrements	Developed from the Plan's 2020 experience period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
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.

## 7. PENSION PLANS (Continued)

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

#### Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

#### Long Term Expected Rate of Return

<u>Asset Type</u>	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	32.0	4.05
International Equity	15.0	6.30
Private Equity	10.0	6.75
Real Estate	9.0	4.95
Opportunistic/Absolute Return	3.0	4.50
Credit	4.0	3.63
Real Assets	3.0	5.95
Fixed Income	23.0	0.00
Cash	<u>1.0</u>	0.50
	<u>100%</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 Liability to the Discount Rate Assumption

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of Net Pension Liability (Asset)	<u>\$ 41,695,149</u>	<u>\$ 150,220</u>	<u>\$ (38,163,928)</u>

**7. PENSION PLANS (Continued)**

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

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

	<u>Pension Plan's Fiduciary Net Position</u>	<u>District's proportionate share of Plan's Fiduciary Net Position</u>	<u>District's allocation percentage as determined by the Plan</u>
Total pension liability	\$220,680,157,000	\$ 332,923,160	0.1508623%
Net position	<u>(220,580,583,000)</u>	<u>(332,772,940)</u>	0.1508623%
Net pension liability (asset)	<u>\$ 99,574,000</u>	<u>\$ 150,220</u>	0.1508623%
Fiduciary net position as a percentage of total pension liability	99.95%	99.95%	

New York State Teachers' Retirement System (NYSTRS)

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

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

**Contributions**

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

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

## 7. PENSION PLANS (Continued)

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

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

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

	<u>NYSTRS</u>
2021	\$ 17,250,303
2020	\$ 20,169,382
2019	\$ 18,028,006

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

At June 30, 2021, the School District reported a net pension liability of \$31,697,388 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020, the School District's proportionate share was 1.147097%, which was an increase of .009288% from its proportionate share of 1.137809% as measured at June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of \$42,749,328. At June 30, 2021 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,773,255	\$ 1,624,430
Changes in assumptions	40,089,819	14,289,926
Net difference between projected and actual earnings on pension plan investments	20,701,173	-
Changes in proportion	833,445	3,113,029
Contributions subsequent to the measurement date	<u>17,488,513</u>	<u>-</u>
Total	<u>\$ 106,886,205</u>	<u>\$ 19,027,385</u>

**7. PENSION PLANS (Continued)**

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

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

The School District recognized \$17,488,513 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2020 which will be recognized as a reduction to the net pension (asset) liability for the year ended June 30, 2022. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan year ending June 30:

2021	\$ 11,614,474
2022	24,192,783
2023	20,350,578
2024	12,455,567
2025	380,343
Thereafter	<u>1,376,562</u>
	<u>\$ 70,370,307</u>

**Actuarial Assumptions**

The total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2019, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

## 7. PENSION PLANS (Continued)

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2020 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	7.1
International Equities	16.0	7.7
Global equities	4.0	7.4
Real Estate Equities	11.0	6.8
Private Equities	8.0	10.4
Domestic Fixed Income Securities	16.0	1.8
Global Bonds	2.0	1.0
High-Yield Bonds	1.0	3.9
Private Debt	1.0	5.2
Real Estate Debt	7.0	3.6
Cash Equivalents	<u>1.0</u>	0.7
	<u>100%</u>	

#### **Discount Rate**

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (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 (asset) of the School District using the discount rate of 7.10 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
Proportionate share of Net Pension Liability (Asset)	<u>\$ 200,221,480</u>	<u>\$ 31,697,388</u>	<u>(\$ 109,737,032)</u>

**7. PENSION PLANS (Continued)**

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

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2020, were as follows:

	<u>Pension Plan's Fiduciary Net Position</u>	<u>District's proportionate share of Plan's Fiduciary Net Position</u>	<u>District's allocation percentage as determined by the Plan</u>
Total pension liability	\$ 123,242,776,215	\$ 1,413,714,184	1.147097%
Net position	<u>120,479,505,380</u>	<u>1,382,016,796</u>	1.147097%
Net pension liability (asset)	<u>\$ 2,763,270,835</u>	<u>\$ 31,697,388</u>	1.147097%
Fiduciary net position as a percentage of total pension liability	97.8%	97.8%	

**8. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

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

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

**Benefits Provided**

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

**Employees Covered by Benefit Terms**

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,346
Active employees	<u>2,937</u>
Total participants	<u>6,283</u>

## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Total OPEB Liability

The School District's total OPEB liability of \$349,878,086 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 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	6/30/2021
Measurement Date	6/30/2021
Actuarial Valuation Date	7/1/2019
Discount Rate	1.92%
Rate of Compensation Increase	3.00%
Inflation Rate (CPI)	2.25%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	7.162 years

The rate used to discount future plan cash flows was updated from 2.45 to 1.92% as of June 30, 2021 based on a review of the Fidelity General Obligation 20-Year AA Municipal Bond Index. The change in discount rate resulted in an increase in liabilities.

The mortality improvement scale assumption was revised as of June 30, 2021 from Scale MP-2019 to Scale MP-2020 on a generational basis. The revised assumption resulted in a decrease in liabilities.

The annual rate of increase in healthcare costs was revised as of June 30, 2021 to better reflect future expectations including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2021\_b (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 June 30, 2021, the turnover and retirement assumptions for New York State governmental employees participating in the ERS were updated using information from the April 1, 2015 – March 31, 2020 experience study released by the Retirement System's Actuary and published in their August 2020 report. The revised assumption resulted in an increase in liabilities.

The methodology for calculating claims costs for the United Healthcare Medicare Advantage Plan was updated according to the guidance in the recently published *Actuarial Standards of Practice (ASPO) No. 6 Practice Note*. Medicare Advantage plan premiums for 2022, trended back to the valuation rate, were used as the basis for Medicare-eligible retiree costs without adjustment for age and gender for the June 30, 2021 measurement date. The change resulted in a decrease in liabilities.

The valuation was migrated to a different software platform which resulted in changes to the baseline liabilities that were reflected as experience changes for the June 30, 2021 measurement date. These updates resulted in a net increase in liabilities.

The plan design and contribution changes for future Collective Bargaining Agreement Unit 1 – Teachers and Ancillary Services retirees were reflected for the June 30, 2021 measurement date. These updates resulted in a net increase in liabilities.



## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 288,104,905</u>
Changes for the Year:	
Service cost	8,283,401
Interest	7,094,705
Changes in benefit terms	8,631,106
Differences between expected and actual experience	19,148,021
Changes in assumptions or other inputs	32,233,001
Actual benefit payments	<u>(13,617,053)</u>
Net changes	<u>61,773,181</u>
Balance at June 30, 2021	<u>\$ 349,878,086</u>

### 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 (0.92%) or 1 percentage point higher (2.92%) than the current discount rate:

	1% Decrease <u>(0.92%)</u>	Current Discount <u>(1.92%)</u>	1% Increase <u>(2.92%)</u>
Total OPEB Liability	<u>\$ 400,957,996</u>	<u>\$ 349,878,086</u>	<u>\$ 307,887,422</u>

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.40% – 5.75%) or 1 percentage point higher (5.40% – 7.75%) than the current healthcare cost trend rate:

	1% Decrease <u>(3.40% – 5.75%)</u>	Current Discount <u>(4.40% - 6.75%)</u>	1% Increase <u>(5.40% - 7.75%)</u>
Total OPEB Liability	<u>\$ 300,742,313</u>	<u>\$ 349,878,086</u>	<u>\$ 412,309,750</u>

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

For the year ended June 30, 2021, the School District recognized OPEB expense of (\$23,190,747). At June 30, 2021, 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>
Change of assumptions	\$ 48,319,046	\$ ( 14,724,144)
Difference between Expected and Actual Experience	<u>16,474,463</u>	<u>(281,168,592)</u>
Total	<u>\$ 64,793,509</u>	<u>\$ (295,892,736)</u>

## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

<u>Fiscal Year Ending</u> <u>June 30:</u>	<u>Amount</u>
2022	\$ (47,199,959)
2023	(47,199,959)
2024	(47,199,959)
2025	(47,199,959)
2026	(44,860,161)
Thereafter	<u>2,560,770</u>
Total	<u>\$(231,099,227)</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, 2021.

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, 2021.

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, 2021:

	<u>Medical</u>	<u>Workers’ Compensation</u>
July 1, 2019	\$ 1,287,922	\$ 34,558,646
Claims, net of payments for all claims	<u>825,379</u>	<u>(92,831)</u>
June 30, 2020	2,113,301	34,465,815
Claims, net of payments for all claims	<u>(1,044,442)</u>	<u>(714,224)</u>
June 30, 2021	<u>\$ 1,068,859</u>	<u>\$ 33,751,591</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**

**REVENUE ANTICIPATION NOTES**

On July 30, 2021, the School District paid off the full amount of \$85,967,000 in outstanding Series 2020B Revenue Anticipation Notes that had been issued on September 30, 2020, at 2.00% to cover an expected cash flow shortage due to the timing of cash receipts from all sources.

On October 29, 2021, the School District issued \$10,770,000 in Series 2021 Revenue Anticipation Notes Series at 1.00% maturing on April 15, 2022 to cover an expected cash flow shortage due to the timing of cash receipts from all sources. The request was approved by the City of Syracuse, New York Common Council on September 13, 2021.

**FUND BALANCE**

On November 10, 2021, the School District’s Board of Education committed \$10 million for the STEAM school project, \$10 million for Capital Projects, and \$20 million for a minimum 4% set-aside. Additionally, to maintain a minimum fund balance level, \$20 million was assigned to balance future years’ budgets when the federal pandemic relief funds phase out in the 2022-23 and 2023-24 fiscal years.

**JSCB PHASE III**

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

## 12. PRIOR PERIOD ADJUSTMENT

The District adopted GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. The District has a new governmental fund, the Miscellaneous Special Revenue Fund, which is used to account for the Extraclassroom Activity Funds, which were previously recorded in the Agency Fund.

	<u>Agency Fund</u>		
	<u>Assets</u>	<u>Liabilities</u>	
Balance at June 30, 2020, as previously reported	\$828,864	\$828,864	
Restatement of beginning balance – Adoption of GASB Statement No. 84	<u>(828,864)</u>	<u>(828,864)</u>	
Balance at July 1, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	

	<u>General Fund</u>		<u>Miscellaneous Special Revenue Fund</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Fund Balance</u>
Balance at June 30, 2020, as previously reported	\$138,700,921	\$62,794,385	\$ -	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>661,727</u>	<u>661,727</u>	<u>167,137</u>	<u>167,137</u>
Balance at July 1, 2020, as restated	<u>\$139,362,648</u>	<u>\$ 63,456,112</u>	<u>\$ 167,137</u>	<u>\$ 167,137</u>

	<u>Governmental Activities</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Net Position</u>
Balance at June 30, 2020, as previously reported	\$761,601,255	\$839,364,218	\$(347,659,898)
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>179,252</u>	<u>12,115</u>	<u>167,137</u>
Balance at July 1, 2020, as restated	<u>\$761,780,507</u>	<u>\$839,376,333</u>	<u>\$(347,492,761)</u>

### **13. COVID-19**

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the District and its future results and financial position is not presently determinable.

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act). The CRRSA Act authorizes funding for a second Education Stabilization Fund to prevent, prepare for and respond to the coronavirus. The District is expected to receive and expend Elementary and Secondary School Emergency Relief (ESSER 2) funds.

On March 11, 2021, the President signed into law the American Rescue Plan Act of 2021 (ARP). These funds are focused on supporting the safe return to in-person instruction and continuity of services, addressing the impact of lost instructional time through summer or extended school programs, responding to students' academic, social, and emotional needs, and addressing the disproportionate impact of the coronavirus on economically disadvantaged students, children with disabilities, English learners, racial and ethnic minorities, migrant students, students experiencing homelessness, and children and youth in foster care. The District is expected to receive and expend Elementary and Secondary School Emergency Relief (ESSER 3) funds.

**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, 2021**

	General Fund						
	Budgeted Amounts			Actual	Add: Current Year Encumbrances	Total Current Year Expenditures and Encumbrances	Budget Variance Favorable (Unfavorable)
	Original	Amendments	Final				
<b>REVENUES</b>							
General property taxes	\$ 60,995,734	\$ -	\$ 60,995,734	\$ 61,247,086	\$ -	\$ 61,247,086	\$ 251,352
Nonproperty taxes	450,000	-	450,000	751,558	-	751,558	301,558
Charges for services	175,000	(20,000)	155,000	270,780	-	270,780	115,780
Use of money and property	395,500	(95,000)	300,500	57,261	-	57,261	(243,239)
Sale of property and compensation for loss	50,750	-	50,750	122,526	-	122,526	71,776
Miscellaneous	1,698,203	-	1,698,203	2,380,032	-	2,380,032	681,829
State and local sources	361,886,915	1,152,831	363,039,746	359,732,750	-	359,732,750	(3,306,996)
Federal sources	1,635,000	14,538,034	16,173,034	15,759,226	-	15,759,226	(413,808)
Total revenues	427,287,102	15,575,865	442,862,967	440,321,219	-	440,321,219	(2,541,748)
<b>OTHER SOURCES</b>							
Premium on issuance of revenue anticipation notes	-	1,163,134	1,163,134	1,163,134	-	1,163,134	-
Operating transfers in	5,000,000	-	5,000,000	4,137,282	-	4,137,282	(862,718)
Total revenues and other sources	432,287,102	16,738,999	449,026,101	445,621,635	-	445,621,635	(3,404,466)
<b>EXPENDITURES AND ENCUMBRANCES</b>							
General support	79,295,939	(4,515,285)	74,780,654	65,762,870	3,840,612	69,603,482	5,177,172
Instruction	306,328,191	2,429,604	308,757,795	296,593,960	1,553,181	298,147,141	10,610,654
Pupil transportation	27,023,138	(9,766,513)	17,256,625	16,045,797	72,838	16,118,635	1,137,990
Pass-through New York State funding to JSCB	29,418,264	(3,003,000)	26,415,264	26,024,823	-	26,024,823	390,441
Debt Service	2,225,164	(756,807)	1,468,357	1,323,310	-	1,323,310	145,047
Total expenditures and encumbrances	444,290,696	(15,612,001)	428,678,695	405,750,760	5,466,631	411,217,391	17,461,304
<b>OTHER USES</b>							
Operating transfers out	13,198,288	-	13,198,288	14,318,899	-	14,318,899	(1,120,611)
Total expenditures and other uses	457,488,984	(15,612,001)	441,876,983	420,069,659	5,466,631	425,536,290	16,340,693
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES</b>	<b>\$ (25,201,882)</b>	<b>\$ 32,351,000</b>	<b>\$ 7,149,118</b>	<b>\$ 25,551,976</b>	<b>\$ (5,466,631)</b>	<b>\$ 20,085,345</b>	<b>\$ 12,936,227</b>

**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, 2021**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>										
Service cost	\$ 8,283,401	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347						
Interest	7,094,705	8,564,800	23,616,910	22,589,595						
Changes of benefit terms	8,631,106	-	-	-						
Differences between expected and actual experience	19,148,021	(389,052,209)	(2,242,757)	(314,221)						
Changes in assumptions	32,233,001	28,637,682	(19,845,230)	(5,655,185)						
Benefit payments	(13,617,053)	(12,918,652)	(17,693,310)	(18,514,661)						
<b>Total change in total OPEB liability</b>	<b>61,773,181</b>	<b>(356,978,179)</b>	<b>3,181,043</b>	<b>17,208,875</b>						
<b>Total OPEB liability - beginning</b>	<b>288,104,905</b>	<b>645,083,084</b>	<b>641,902,041</b>	<b>624,693,166</b>						
<b>Total OPEB liability - ending</b>	<b>\$ 349,878,086</b>	<b>\$ 288,104,905</b>	<b>\$ 645,083,084</b>	<b>\$ 641,902,041</b>						
<b>Covered-employee payroll</b>	<b>\$ 233,839,973</b>	<b>\$ 229,649,395</b>	<b>\$ 225,440,334</b>	<b>\$ 239,120,856</b>						
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>149.6%</b>	<b>125.5%</b>	<b>286.1%</b>	<b>268.4%</b>						

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.

**Notes to schedule:**

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

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

The actuarial cost method used is Entry Age Normal.

As of the June 30, 2021 measurement date, the discount rate was revised from 2.45% to 1.92%. This resulted in an increase in the liability.

As of the June 30, 2021 measurement date, the mortality improvement scale was updated from Scale MP-2019 to Scale MP-2020 on a generational basis. This resulted in a decrease in the liability.

As of the June 30, 2021 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, 2021 measurement date, the turnover and retirement assumptions for New York State governmental employees participating in ERS were updated using information from the April 1, 2015 - March 31, 2020 experience study released by the retirement Systems Actuary. This resulted in a decrease in the liability.

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

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



**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, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	0.1508623%	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%	0.1295850%			
Proportionate share of the net pension liability (asset)	\$ 150	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238	\$ 4,378			
Covered-employee payroll	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.35%	86.23%	24.67%	10.65%	32.92%	57.28%	13.08%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%			

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	1.147097%	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%	1.072093%			
Proportionate share of the net pension liability (asset)	\$ 31,697	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)	\$ (119,425)			
Covered-employee payroll	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	17.27%	-15.18%	-10.76%	-4.80%	6.95%	-69.17%	-75.41%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%			

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**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, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 6,148	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656	\$ 5,817			
Contributions in relation to the contractually required contribution	6,148	5,898	5,984	5,650	5,409	5,656	5,817			
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Covered-employee payroll	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468			
Contributions as a percentage of covered-employee payroll	14.24%	12.96%	13.73%	13.07%	13.76%	15.25%	17.38%			

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 17,250	\$ 20,169	\$ 18,028	\$ 20,788	\$ 23,283	\$ 27,692	\$ 25,734			
Contributions in relation to the contractually required contribution	17,250	20,169	18,028	20,788	23,283	27,692	25,734			
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Covered-employee payroll	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365			
Contributions as a percentage of covered-employee payroll	9.40%	10.36%	9.50%	11.72%	13.28%	17.54%	16.25%			

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**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, 2021**

	School Food Service	Capital Projects	Debt Service	Miscellaneous Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Pooled restricted cash and cash equivalents held by City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled restricted cash and cash equivalents held by District	-	-	-	152,830	17,040	169,870
Receivables:						
Due from other funds	2,223,965	12,081,646	965,164	-	-	15,270,775
State and Federal aid receivables	4,967,059	231,065	-	-	-	5,198,124
Other	12,965	-	-	353	-	13,318
Inventory	609,938	-	-	-	-	609,938
<b>Total assets</b>	<b><u>\$ 7,813,927</u></b>	<b><u>\$ 12,312,711</u></b>	<b><u>\$ 965,164</u></b>	<b><u>\$ 153,183</u></b>	<b><u>\$ 17,040</u></b>	<b><u>\$ 21,262,025</u></b>
<b>LIABILITIES</b>						
Accounts payable	\$ 562,527	\$ 427,534	\$ -	\$ 20,903	\$ -	\$ 1,010,964
Accrued payroll	693,667	-	-	-	-	693,667
Due to other governments	831	-	-	-	-	831
<b>Total liabilities</b>	<b><u>1,257,025</u></b>	<b><u>427,534</u></b>	<b><u>-</u></b>	<b><u>20,903</u></b>	<b><u>-</u></b>	<b><u>1,705,462</u></b>
<b>FUND BALANCE</b>						
Non-spendable	609,938	-	-	-	-	609,938
Restricted	5,946,964	11,885,177	965,164	132,280	17,040	18,946,625
<b>Total fund balance</b>	<b><u>6,556,902</u></b>	<b><u>11,885,177</u></b>	<b><u>965,164</u></b>	<b><u>132,280</u></b>	<b><u>17,040</u></b>	<b><u>19,556,563</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 7,813,927</u></b>	<b><u>\$ 12,312,711</u></b>	<b><u>\$ 965,164</u></b>	<b><u>\$ 153,183</u></b>	<b><u>\$ 17,040</u></b>	<b><u>\$ 21,262,025</u></b>

The accompanying notes are an integral part of these statements

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES- NONMAJOR GOVERNEMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	School Food Service	Capital Projects	Debt Service	Miscellaneous Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Use of money and property	\$ 3	\$ -	\$ 2	\$ -	\$ 1	\$ 6
Sale of property and compensation for loss	3,910	-	-	-	-	3,910
Miscellaneous	-	-	-	89,072	-	89,072
State and local sources	291,660	4,550,951	-	-	-	4,842,611
Federal sources	10,475,483	-	-	-	-	10,475,483
Surplus food	750,888	-	-	-	-	750,888
Sales - School Food Service Program	89,074	-	-	-	-	89,074
<b>Total revenues</b>	<b>11,611,018</b>	<b>4,550,951</b>	<b>2</b>	<b>89,072</b>	<b>1</b>	<b>16,251,044</b>
<b>EXPENDITURES</b>						
General Support	7,207,390	-	-	-	-	7,207,390
Instruction	-	4,209,823	-	123,929	-	4,333,752
Principal	-	-	4,912,000	-	-	4,912,000
Interest	-	-	993,029	-	-	993,029
Cost of sales	3,731,675	-	-	-	-	3,731,675
Capital outlay	-	1,299,855	-	-	-	1,299,855
<b>Total expenditures</b>	<b>10,939,065</b>	<b>5,509,678</b>	<b>5,905,029</b>	<b>123,929</b>	<b>-</b>	<b>22,477,701</b>
Excess (deficiency) of revenues over expenditures	671,953	(958,727)	(5,905,027)	(34,857)	1	(6,226,657)
<b>OTHER FINANCING SOURCES AND USES</b>						
Operating transfers in	-	3,003,441	5,905,029	-	-	8,908,470
Operating transfers out	(1,304,643)	-	-	-	-	(1,304,643)
<b>Total other financing sources (uses)</b>	<b>(1,304,643)</b>	<b>3,003,441</b>	<b>5,905,029</b>	<b>-</b>	<b>-</b>	<b>7,603,827</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(632,690)	2,044,714	2	(34,857)	1	1,377,170
Fund balance - beginning of year	7,189,592	9,840,463	965,162	-	17,039	18,012,256
Prior period adjustment (See Note 12)	-	-	-	167,137	-	167,137
Fund balance - beginning of year, as restated	7,189,592	9,840,463	965,162	167,137	17,039	18,179,393
Fund balance - end of year	\$ 6,556,902	\$ 11,885,177	\$ 965,164	\$ 132,280	\$ 17,040	\$ 19,556,563

The accompanying notes are an integral part of these statements

## **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, 2021**

Project Title	Project Status	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended (Overexpended) Balance	Methods of Financing				Transfer to Debt Service Fund	Fund Balance June 30, 2021
				Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total		
SSBA - SSIP1.3	Open	\$ 5,067,192	\$ 5,067,192	\$ -	\$ 4,329,924	\$ 4,329,924	\$ 737,268	\$ -	\$ 4,329,924	\$ -	\$ 4,329,924	\$ -	\$ -
SSBA - SSIP2.1	Closed	350,000	186,172	24,308	161,864	186,172	-	-	186,172	-	186,172	-	-
SSBA - SSIP3.1	Open	292,099	292,099	122,706	59,163	181,869	110,230	-	181,869	-	181,869	-	-
Building Condition Survey	Open	1,400,000	1,400,000	-	-	-	1,400,000	-	-	1,400,000	1,400,000	-	1,400,000
Corcoran Welding Shop	Closed	950,000	917,993	908,695	9,298	917,993	-	-	-	917,993	917,993	-	-
Seymour Boiler Project	Closed	400,000	358,031	330,674	27,357	358,031	-	-	-	358,031	358,031	-	-
Fowler Pressbox	Closed	450,000	439,297	43,928	395,369	439,297	-	-	-	439,297	439,297	-	-
Fowler Concession Stand	Open	-	1,163,000	-	526,703	526,703	636,297	-	-	1,163,000	1,163,000	-	636,297
Corcoran Athletic Field	Open	-	3,000,000	-	-	-	3,000,000	-	-	3,000,000	3,000,000	-	3,000,000
All other various	Open	<u>7,923,760</u>	<u>6,848,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,848,880</u>	<u>-</u>	<u>-</u>	<u>6,848,880</u>	<u>6,848,880</u>	<u>-</u>	<u>6,848,880</u>
<b>TOTAL</b>		<b>\$ 16,833,051</b>	<b>\$ 19,672,664</b>	<b>\$ 1,430,311</b>	<b>\$ 5,509,678</b>	<b>\$ 6,939,989</b>	<b>\$ 12,732,675</b>	<b>\$ -</b>	<b>\$ 4,697,965</b>	<b>\$ 14,127,201</b>	<b>\$ 18,825,166</b>	<b>\$ -</b>	<b>\$ 11,885,177</b>

**CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK**  
**(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)**  
**NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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Capital assets, net		\$ 496,989,857
Add:		
Deferred loss on refunding of debt		483,505
Deduct:		
Short-term portion of bonds payable	28,321,804	
Long-term portion of bonds payable	332,223,067	
Less: unspent bond proceeds	<u>(60,689,435)</u>	<u>(299,855,436)</u>
Net investment in capital assets		<u>\$ 197,617,926</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 8, 2021

To the Board of Education  
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, 2021, 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 8, 2021.

**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 may exist that have not been identified.

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**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 8, 2021

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

**Report on Compliance for 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 described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal programs for the year ended June 30, 2021. 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.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

**Opinion on Each Major Federal Program**

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, 2021.

## **Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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 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, 2021**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed-through NYS Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program (NSLP)	10.555A	N/A	\$ <u>750,888</u>
Cash Assistance			
COVID-19 School Breakfast Program (SBP)	10.555A	N/A	399,013
COVID-19 National School Lunch Program (NSLP)	10.555A	N/A	935,314
COVID-19 After School Snack Program	10.555A	N/A	154,164
Summer Food Service Program for Children (SFSPC)	10.559A	N/A	<u>8,341,703</u>
Total Cash Assistance			<u>9,830,194</u>
Total Child Nutrition Cluster			<u>10,581,082</u>
Fresh Fruit and Vegetable Program	10.582B	N/A	<u>522,401</u>
Passed-through NYS Department of Health:			
COVID-19 Emergency Operating Costs - Child and Adult Care Food Program (CACFP)	10.558A	N/A	<u>122,889</u>
<b>Total U.S. Department of Agriculture</b>			<u>11,226,372</u>
<b>U.S. Department of Labor</b>			
Passed-through CNY Works:			
WIOA Dislocated Worker Formula Grants	17.278	N/A	<u>35,123</u>
Direct:			
WIOA Dislocated Worker Formula Grants	17.278	C18457GG	<u>34,308</u>
<b>Total U.S. Department of Labor</b>			<u>69,431</u>
<b>U.S. Department of Education</b>			
Passed-through Insight Education			
Teacher and School Leader Incentive Grant	84.374A	N/A	<u>204,517</u>
Passed-through Onondaga Cortland Madison Counties BOCES:			
Adult Education - Basic Grants to States			
WIOA - Title II Incarcerated and Institutionalized Individuals	84.002A	N/A	57,226
Passed-through NYS Department of Education:			
Adult Education - Basic Grants to States			
WIOA-Title II Adult Basic	84.002A	2338213168	223,404
WIOA-Title II English Literacy & Civics	84.002A	0040213008	<u>298,166</u>
Total Adult Education - Basic Grants to States			<u>578,796</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, 2021  
(Continued)**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Education (Continued)</b>			
Passed-through NYS Department of Education (Continued):			
Title I, Grants to Local Educational Agencies (Title I, Part A of the ESEA)			
Title I, Part A	84.010A	0021202165	1,537,342
Title I, Part A	84.010A	0021212165	13,162,841
Title I, Part D	84.010A	0016202165	2,657
Title I, Part D	84.010A	0016212165	222,967
Title I, School Improvement	84.010A	0011202006	44,095
Title I, School Improvement	84.010A	0011212006	1,598,957
Title I, School Improvement	84.010A	0011212306	35,135
Title I, School Improvement	84.010A	0011212706	36,624
Title I, School Improvement	84.010A	0011205015	4,088
Title I, School Improvement	84.010A	0011215015	410,354
Title I, School Improvement	84.010A	0011215016	342,145
Title I, School Improvement	84.010A	0011205042	10,258
Title I, School Improvement	84.010A	0011205081	(73)
Title I, Integration Project	84.010A	0011197140	17,734
Title I, Integration Project	84.010A	0011217140	480,459
Total Title I Grants to Local Educational Agencies			<u>17,905,583</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)			
Section 611 PL194-145	84.027A	0032200656	229,829
Section 611 PL194-145	84.027A	0032210656	5,483,241
Total Special Education - Grants to States			<u>5,713,070</u>
Special Education - Preschool Grants (IDEA, Preschool)			
Special Education - Preschool Grants	84.173A	0033210656	301,264
Total Special Education - Preschool Grants			<u>301,264</u>
Total Special Education Cluster (IDEA)			
			<u>6,014,334</u>
Career and Technical Education - Basic Grants to States (Perkins V)			
Pathways in Technology Early College High School	84.048A	8039200013	62,378
Pathways in Technology Early College High School	84.048A	8039210013	396,258
Perkins IV CTEIA	84.048A	8000210010	274,163
Total Career and Technical Education - Basic Grants to States			<u>732,799</u>
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	84.196A	0212213112	13,713
Education for Homeless Children and Youth	84.196A	0212213033	124,999
Total Education for Homeless Children and Youth			<u>138,712</u>
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287C	018207119	926
Twenty-First Century Community Learning Centers	84.287C	018217119	699,370
Total Twenty-First Century Community Learning Centers			<u>700,296</u>
English Language Acquisition State Grants			
Title III, Part A Immigration	84.365A	0149202165	84,630
Title III, Part A Limited English Proficiency	84.365A	0293202165	58,950
Title III, Part A Limited English Proficiency	84.365A	0293212165	531,728
Total English Language Acquisition State Grants			<u>675,308</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, 2021  
(Continued)**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Education (Continued)</b>			
Passed-through NYS Department of Education (Continued):			
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Title II, Part A	84.367A	0147202165	209,331
Title II, Part A	84.367A	0147212165	1,540,574
Title II, Part A Model P-20 Partnerships for Principal Preparation	84.367A	0145201003	247,406
Title II, Part A Model P-20 Partnerships for Principal Preparation	84.367A	0145211003	<u>115,325</u>
Total Supporting Effective Instruction State Grants			<u>2,112,636</u>
Student Support and Academic Enrichment Program			
Title IV, Part A	84.424A	0204202165	1,693
Title IV, Part A	84.424A	0204212165	<u>820,311</u>
Total Student Support and Academic Enrichment Program			<u>822,004</u>
Education Stabilization Fund (ESF)			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5890212165	13,577,115
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	5895212165	2,324,585
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880212165	<u>26,804</u>
Total Education Stabilization Fund (ESF)			<u>15,928,504</u>
Direct:			
Impact Aid (Title, VII of ESEA)	84.041B	N/A	<u>129,217</u>
Indian Education - Formula Grants to Local Educational Agencies	84.060A	S060A200411	<u>168,467</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184G	S184G190087	<u>376,445</u>
<b>Total U.S. Department of Education</b>			<u>46,487,618</u>
<b>U.S. Department of Health and Human Services</b>			
Passed-through Catholic Charities of Onondaga County:			
Refugee and Entrant Assistance - State Administered Programs	93.566	C00418GG	<u>354,726</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>354,726</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 58,138,147</u></b>

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



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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**1. GENERAL**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the City School District of Syracuse, New York (the School District), an entity as defined in the basic financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the government 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, 2021, the School District received food commodities, the fair market value of which amounted to \$750,888 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, 2021.

**6. DONATED PERSONAL PROTECTIVE EQUIPMENT (Unaudited)**

For the year ended June 30, 2021, the fair market value of the personal protective equipment that the District received was \$170,070.

**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, 2021**

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

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

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?  Yes  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:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A, 84.173A	Special Education Cluster (IDEA)
84.367A	Supporting Effective Instruction State Grant (Title II)
84.425C, 84.425D, 84.425U	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER), Elementary and Secondary School Emergency Relief (ESSER), American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

**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, 2021**

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

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

Dollar threshold used to distinguish between  
Type A and Type B programs: \$1,744,144

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.